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## A U.S.-Russian Exercise Planned for Germany Takes Bonn by Surprise

By Michael R. Gordon  
New York Times Service

WASHINGTON — It started out as a bright idea to strengthen ties between the American and Russian militaries. But so far it has strained relations with Washington's key European allies.

The proposal was for American and Russian troops to exercise together for the first time, probably at a NATO training base at Hohenfels, Germany.

The problem was, nobody told the Germans. When they found out, they squashed the idea of conducting the exercise on their soil, forcing Moscow and Washington to concentrate on sites in Russia and the United States.

Administration officials say the episode shows two things: Bonn's lingering sensitivity about the role of Russian forces in Europe, and reinforced Germany's expanded sense of sovereignty, which was offended when the Pentagon acted as though it was an occupying power and failed to consult.

It is also a case study of crossed signals within the Clinton administration, as officials failed to coordinate among themselves and consequently with the Germans.

The episode began earlier this year as Pentagon officials began developing plans for peacekeeping exercises with the Russians.

A number of American divisions were considered for the exercise, including the 10th Mountain Division, which is based in upstate New York. Using the 10th would avoid the need to involve the Germans, according to

some Pentagon officials who were already concerned about the German reaction.

An American official said General John M. Shalikashvili, the NATO commander who has since become chairman of the Joint Chiefs of Staff, wanted an American division based in Germany to be considered.

With questions about the future of the North Atlantic Treaty Organization, the exercise would be a way for the alliance to build bridges to the East. It would also be a way to exhibit the alliance's newly proclaimed role as a peacekeeping force.

The Russians — eager to show that their military is weathering the breakup of the Soviet Union and is still relevant to the post-Cold War world — were receptive.

The matter was sealed in September when Defense Minister Pavel S. Grachev and Defense Secretary Les Aspin signed an accord calling for peacekeeping exercises and other forms of cooperation.

The Russian unit chosen for the exercise was the 27th Motorized Rifle Division in central Russia; the American unit was the 3rd Infantry Division, stationed at Würzburg, Germany.

At the time, Pentagon officials said the training would most likely be conducted in Germany, Russia or the United States. But the mention of Germany came as a surprise to Bonn.

Germany had worked hard to ensure the withdrawal of the 337,000 Russian troops from the former East Germany and is paying Moscow 13.4 billion Deutsche marks to defray the

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## Talk of a Social Explosion As the New Downside Risk

By Jacques Neher  
International Herald Tribune

PARIS — Jolted by growing labor strife, Europe's corporate leaders are expressing misgivings about "lean and mean" business strategies that have led them to slash millions of jobs.

Some now believe it has fallen on them to head off a social explosion.

Executives say that the trend toward re-engineering and restructuring in business, while fine for the company's bottom line and shareholders in the short term, may be creating conditions that undermine the societies in which they work.

"Where will it lead?" asked Roger Wippermann, managing director for Allied Signal Europe N.V. in Belgium. "Are we headed for disaster before the next upturn, or another depression? Can society sustain 20 percent unemployment? Who's looking at this?"

Such concerns represent a significant change of Europe's corporate mind-set, specialists say. Until now, executives have left it to political leaders to manage society's adjustment to corporate decisions.

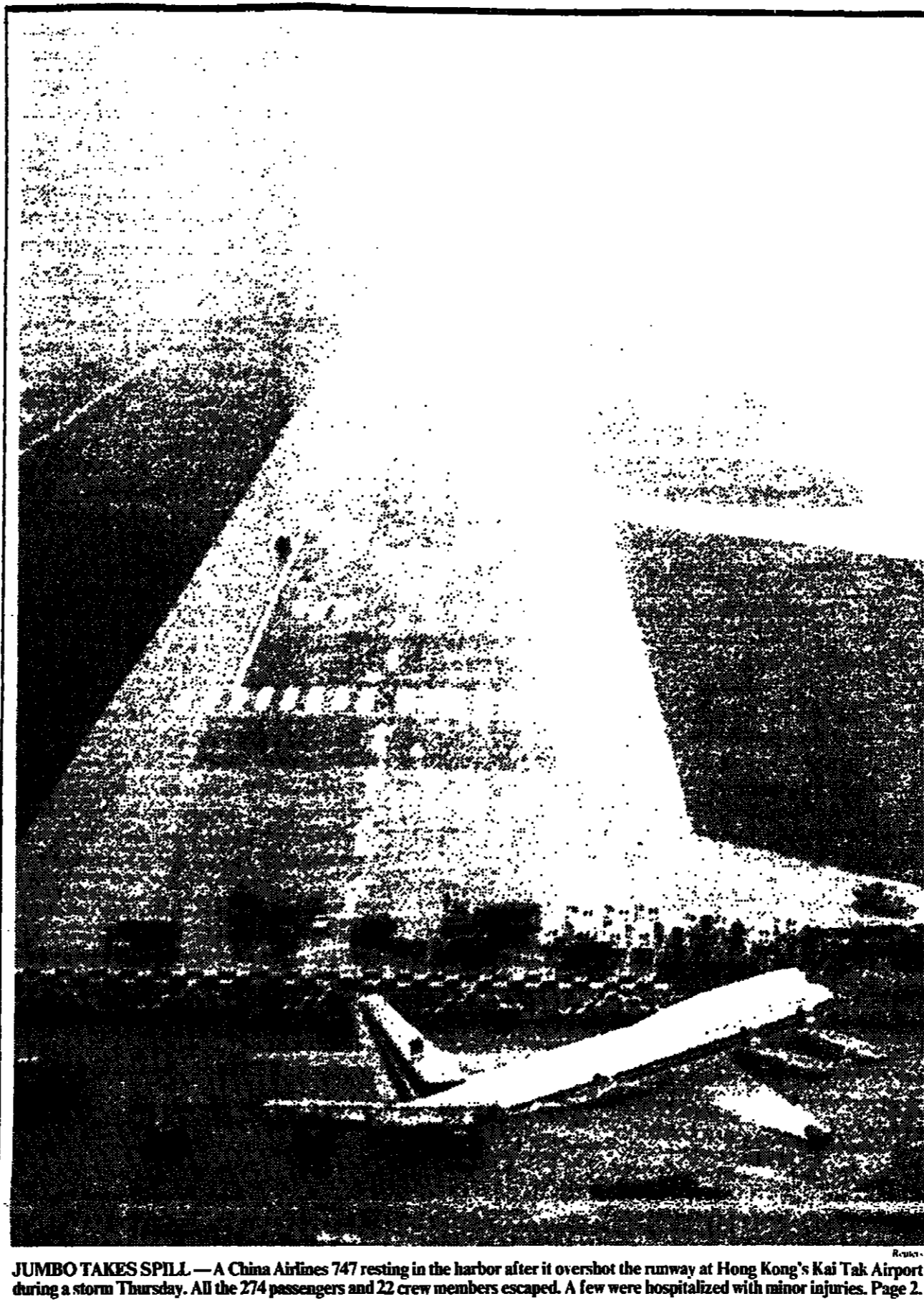
The growing social tension, underlined by the violent Air France strike last month that grounded the airline and blocked traffic at Paris airports, needs to be addressed urgently, some executives say. In particular, they suggest that countering growing public sentiment that holds that technological progress and productivity gains, rather than the recession, are responsible for Europe's 17 million-plus unemployed.

"Public opinion is very anxious about whether our problems are cyclical or structural," said Gérard Worms, chairman of Compagnie de Suez, one of France's largest financial and industrial groups.

"The first thing European executives should do is answer some of these questions. If we don't, we could have such a social crisis that all the improvements we've made would be destroyed."

For example, he said, "public opinion is saying that technology is destroying jobs, but this is happening no more now than in the past. We have to show that in new sectors, the

See EUROPE, Page 14



JUMBO TAKES SPILL — A China Airlines 747 resting in the harbor after it overshot the runway at Hong Kong's Kai Tak Airport during a storm Thursday. All the 274 passengers and 22 crew members escaped. A few were hospitalized with minor injuries. Page 2.

## Russian Force Takes Up Positions In Georgia

Troops Are to Guard Main Transport Links at Shevardnadze's Request

By [Name], Moscow Staff Writer

TBILISI, Georgia — About 200 Russian marines landed Thursday in western Georgia to help guard transportation links in an operation that pulled Russia deeper into Georgia's civil war.

The force, from the Black Sea fleet, came ashore at the port of Poti after details of the operation were agreed upon by the Georgian leader, Eduard A. Shevardnadze, and the fleet commander, Admiral Eduard Balin.

Another 300 troops waited off the coast in the night warships that had brought them from their Sevastopol base. Those troops were due to land later, officials said.

The intervention came as leaders in the West tried to assess a new Russian military strategy that outlines the use of Russian troops beyond Russia's borders and abandons an old pledge not to use nuclear weapons first.

Secretary of State Warren M. Christopher told Congress on Thursday that the new doctrine posed no nuclear threat to the United States or to its neighbors. But Senator Richard G. Lugar, Republican of Indiana, said the doctrine displayed "much more assertiveness" toward other former Soviet republics.

"It seems to me to be a bad day," Mr. Lugar told Mr. Christopher, who was testifying before the Senate Foreign Relations Committee.

The Russians were invited to intervene in Georgia by the Shevardnadze government, and there has been no criticism of the action from abroad. Some senior Russian officers have been heavily involved in a civil war in Georgia. But political commentators in Moscow have said that other officers welcomed the opportunity to strengthen Moscow's influence in the Transcaucasian region, where the Russian Army has been active for two centuries.

The Russians say they were not participating in operations against the rebels, but will fire back when attacked.

The Poti landing was the boldest undertaking by the Russians since Moscow agreed last month, at Mr. Shevardnadze's request, to commit its troops to guard ports, railroad lines and road links in western Georgia.

Poti is a vital transit point for supplies shipped between the Caucasus and neighboring Black Sea countries, including Russia and Turkey.

The Russian Foreign Ministry said last month that the security of the ports of Poti and Batumi, along with the railroad linking them with other parts of the Caucasus, was of vital interest to other states in the area as well as to Russian troops stationed in Georgia.

Forces loyal to Mr. Shevardnadze appeared once more to be gaining the upper hand in the conflict against rebels seeking a return to power of the deposed president, Zviad K. Gamsakhurdia.

The Defense Ministry in Tbilisi said government troops entered the town of Khobi on Thursday after three days of fighting.

A ministry spokesman was unable to say if rebels were continuing to dispute control of the town. If government forces have taken Khobi, the rebels will be reduced to a single town, their main stronghold of Zugdidi.

Russian news agencies have said the marines will aim both to protect merchant shipping and to provide extra protection for the railroad, a main route for supplies of fuel and food in Georgia.

Russia's Itar-Tass news agency said Wednesday that the rebels had cut the rail line and set up machine-gun emplacements between Poti and Senaki, in central Georgia.

In Washington, Mr. Christopher said that Moscow must respect the territorial integrity of Georgia.

See GEORGIA, Page 4

## Turkish Targets in Europe Are Hit Again

By Barry James  
International Herald Tribune

In the second such action since June, assailants described as militant Kurdish separatists attacked more than 30 Turkish properties across Europe on Thursday, killing a person and causing heavy damage.

Most of the attacks took place in several German cities with large Turkish populations.

Also on Thursday, Prime Minister Tansu Ciller of Turkey expressed determination to crush a Kurdish "terrorist plague" by sending specially trained teams of commandos to the southeastern corner of the country "to fight the militants with their own methods."

She said it might be necessary to increase taxes to pay for the new anti-guerrilla campaign.

Although no one immediately claimed responsibility for the attacks in Europe, security experts said they appeared to be revenge for

from the headquarters of the EC Commission. A demonstration outside the Turkish Embassy in Oslo dispersed without violence.

The attacks across Europe were aimed at diplomatic premises, airline offices, banks, travel agencies and Turkish cultural centers.

One Kurdish man was arrested in Stuttgart after masked assailants hurled firebombs at the Turkish Consulate and airline.

Kurdish militants attacked Turkish diplomatic missions and businesses across Europe on June 24, leading to strained diplomatic relations between Switzerland and Turkey after a demonstrator was killed in Bern.

After the June assaults, the German government threatened to ban the Kurdish Workers Party, which is believed to have several thousand members in Germany. But Bonn has not carried through on the threat.

An estimated 400,000 Kurds live in Germany. See KURDS, Page 4

Kurdish counterinsurgency operations against the Kurdish Workers Party, or PKK.

"We assure it's the PKK, but we have no proof at the moment," a German police spokesman said.

In the attacks on Thursday, one unidentified man was killed during the firebombing of a building containing Turkish apartments, a restaurant and offices in Wiesbaden, Germany.

The police said that five people had been injured when attackers threw a firebomb at a Turkish bank in London's financial district, one of four attacks on Turkish property in and near the British capital. Attackers also firebombed the Turkish Embassy, the offices of the national airline and a Turkish men's club in the suburbs.

Similar attacks were reported in 14 German cities and in Copenhagen, Vienna, Bern, Zurich, Basel and Strasbourg, France. In Brussels, police violently ejected Kurdish demonstrators

## In East Europe, a New Respect for Police

By John Pomfret  
Washington Post Service

PRAGUE — Four years after the dismantling of repressive security services following the collapse of communism, soaring crime and corruption have prompted a move to restore power to police and intelligence agencies in Eastern Europe.

The effort, most prominent in the Czech Republic and in Poland, is occurring with widespread support from former dissidents once bound by these services.

"We completely destroyed our secret services, and now we are suffering the consequences," said Ivan Gabal, a former dissident close to President Vaclav Havel. "Some crimes you can't fight from a police car."

Last month, the Czech cabinet approved a bill that if passed by parliament would allow the police to conduct undercover investigations, employ confidential informants and es-

establish witness protection programs. Poland is considering similar legislation.

Interior Minister Jan Rumlof of the Czech Republic, a former dissident, and his Polish counterpart, Andrzej Milczanowski, a former political prisoner, are leading the efforts.

Scattered calls have also been made to reinvigorate intelligence agencies. In a recent article in *Listy*, a political magazine published in Prague, Jaroslav Basta, former deputy chief of the Czech intelligence agency, criticized what he said was an overemphasis on purging former Communists from the forces.

"Many of these people are among the few who understand their work," wrote Mr. Basta, a former dissident who was dismissed in 1990 for complaining about chaos in his agency.

The collapse of communism threw into disarray the vast police network constructed by the regimes of Eastern Europe and their Soviet sponsor. Hundreds of police officers and intelligence agents, whose previous job had been to

ensure the continuation of the police state, found themselves out of work. Whole agencies, such as the SB, the infamous Czechoslovak state security agency, were abolished overnight.

Those who replaced the ousted Communists, however, had little experience fighting crime or collecting intelligence. Lieutenant Colonel Jan Vaculik, before he became the head of the Czech Criminal Police, managed a rock band and worked on dubbing American movies into Czech.

"I've taken a funny road to this office," he said.

Mr. Basta and others allege that new members of the reformed security services have spent more time fighting each other than fighting crime. Colonel Vaculik, for example, is the fourth criminal-police director since 1987. The person with the most seniority in the criminal

See POLICE, Page 4

## In Malibu, California, Smoldering Ruins of a Posh Paradise Lost

By Seth Mydans  
New York Times Service

MALIBU, California — The outlines of paradise can be read in its ruins, on the steep, spectacular curves of Carbon Mesa Road overlooking the Pacific Ocean, where the lavish homes of the wealthy and famous lie in cinders.

On the morning after towers of flame roared down the hillside, the airy parlors, broad patios, artworks, antiques and elegant gardens of many homes are gone, their ashes still smoking. All that remains is the view, and it is breathtaking.

From what was once the pool deck of the actor Sean Penn, the ocean glittered in the morning light. From his garden, where scorched oranges now add a touch of sweetness to the acrid smell of smoke, the idyllic rolling hills that formed Mr. Penn's eastern view are now charred and bare.

The house itself is gone, one of hundreds caught in the

flames as a wildfire swept through this affluent oceanic city where tycoons and Hollywood celebrities have pitched their multimillion-dollar mansions in the home of earthquakes, mud slides and fires.

The Santa Ana winds that whipped the flames into a firestorm abated enough that Chief Donald Manning of the Los Angeles Fire Department could proclaim, "The worst is over." More than 200 homes and 35,000 acres (14,000 hectares) had gone up in smoke.

By Thursday morning, the damp sea air had a calming effect on the fire, which authorities said was deliberately set.

"They're sure that it was arson," Governor Pete Wilson said.

"What a day in hell," remarked one of Mr. Penn's neighbors, Richard Davis, 63, the chairman of an international computer consulting firm, whose house was saved. "I better be good, because I don't want to spend another day in hell."

After a night of chaos and terror, as deep orange flames boiled over hillsides, leaping from palm tree to palm tree and gully to gully, the smoky morning brought scenes of tears and rejecting Wednesday among the notable and the unknown alike.

The homes of such celebrities as Bob Newhart and Dick Van Dyke were spared, said the actors' publicist, Larry Blossman. So were the homes of the country singer Dwight Yoakam and of Mark Hamill, who played Luke Skywalker in the "Star Wars" films.

But only a chimney and crumbled walls remained of the home of Frank Morgan, a retired geologist who owns an ambulance company and lives just around the curve from Mr. Penn. The actors Ed Harris and Amy Madigan, friends of Mr. Morgan's, came by to look for a few minutes, then left without a word.

At what had been the home of Michael and Cecilia Dan, a

See FIRE, Page 3

lawyer and an interior designer who had fled the fire, their friend Paul Shoop surveyed the ruins and burst into tears.

"How do you tell people their home is gone?" he said. "They had a fortune worth of art in here. There was a fabulous sculpture. She is a gourmet cook, and they had a fabulous kitchen. You can still see the pots and pans."

Mr. Davis, the communications consultant, described the shameful exultation of a survivor.

"You have such mixed emotions," he said. "You feel happy for yourself but you feel guilty that you feel happy."

On Wednesday, Duncan Gibbins, 41, a film director, died of burns, becoming the first person killed in the wildfires that burned across Southern California.

Up and down Carbon Mesa Road, at the homes that had been lost, only the skeletons of this Southern California idyll

See SECRETARY, Page 4

## Christopher Acts To Shift Focus In Policy Debate

By Daniel Williams  
Washington Post Service

WASHINGTON — Secretary of State Warren M. Christopher began a counteroffensive against criticism of President Bill Clinton's foreign policy Thursday with a strong emphasis on what he said were "the great challenges in this era of change." He did not include Haiti, Somalia or Bosnia-Herzegovina.

Mr. Christopher's policy statement before the Senate Foreign Relations Committee reflected the belief among Clinton administration officials that public attention paid to Haiti, Somalia and Bosnia had detracted from issues they consider more important and on which, in their view, they have performed better.

Policy makers say that the focus on the lesser, messier problems has strengthened isolationist impulses in the United States. Mr. Christopher pledged that "an activist American foreign policy is most fundamentally in our interest."

His call to pursue "overarching priorities" seemed to have sensed Somalia, where the United States sent troops; Haiti, where Washington tried to land soldiers; and Bosnia, where Mr. Clinton is pledged to send peacekeepers, to a second rank of American concerns.

He also blurred television for some of the administration's difficulties so far, blaming it for distorting national priorities.

"Television is a wonderful phenomenon and sometimes even an instrument of freedom," he said. "But television images cannot be the North Star of America's foreign policy."

At the head of the list of six foreign policy priorities he cited stood "economic security," which included a free-trade approach to deal-

### Kiosk

#### U.S. Seeks UN Somali Inquiry Panel

UNITED NATIONS, New York (Reuters) — In an effort to draw the Security Council away from its mandate to hunt down and punish the Somali faction leader Mohammed Farrah Aidid, the United States is pushing for a council resolution to create a commission of inquiry on Somalia, diplomats said Thursday.

They added that Washington wanted to make sure the UN secretary-general, Boutros Boutros Ghali, did not appoint panel members. Some Somali factions may not see Mr. Boutros as neutral. The council is seeking a compromise, such as nominations from Mr. Boutros Ghali with council approval.

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Pound	1.4818	1.4845
Yen	108.155	107.67
FF	5.9055	5.9063

**Business/Finance**

Alku may acquire Nobel Industries, the Swedish chemicals company. Page 13.

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Loisure

A ride on the new Oriental Express is luxurious but turbulent. Page 8.

WORLD BRIEFS

In This Catholic Enemy, the IRA Has Placed Its Trust

By James F. Clarity

DUBLIN — In his hometown of Londonderry, there is an old joke about John Hume, the most respected and influential Roman Catholic leader in Northern Ireland: What is the difference between John Hume and God? The answer: "God doesn't think he's John Hume."

Mr. Hume, a 56-year-old former French teacher with a reputation for being haughty and humorless, has been the target of this kind of criticism for most of the 20 years he has been the chief Roman Catholic enemy of the Irish Republican Army and its campaign of violence.

Although he rejected the initiative, Mr. Major praised Mr. Hume as "courageous" in the House of Commons in London this week.

To the assertions of Protestant leaders that his talks with Mr. Adams encourage IRA violence, Mr. Hume said recently: "There is no way that I have ever endorsed violence. My home has been attacked on numerous occasions by supporters of the IRA. In fact in the last attack my wife and daughter were lucky to emerge alive."

Mr. Hume quickly became the chief Northern Irish enemy of the IRA, traveling frequently to Washington to persuade Irish American politicians, including Senator Edward M. Kennedy, to oppose Irish-American groups that were raising money for the IRA.

Kohl Credits Superpowers

A Key to Unity, He Says, Was Gorbachev's Restraint

Compiled by Our Staff From Dispatches

BERLIN — Chancellor Helmut Kohl disappointed former East German dissidents Thursday by insisting that Mikhail S. Gorbachev played a bigger role than they did in bringing about German unity.

dissidents who eventually took to the streets in late 1989. "We would have had a most bitter experience if Gorbachev had reacted the night the Wall opened like his predecessors had done in the past," Mr. Kohl said, referring to earlier Soviet interventions in East Berlin, Budapest and Prague to crush popular protests.

member commission have been fighting an uphill battle to win more recognition for the role they played as civil rights campaigners. A former East German dissident, Gerd Poppe, accused Mr. Kohl of underestimating the Communist internal problems in the 1980s and overlooking the growing dissident scene.



Mr. Kohl, right, with Rainer Eppelmann, chairman of the panel looking into German reunification.

AIDS Anxiety Prompts German Panic

Reuter

BONN — Thousands of Germans who were operated on during the last decade swamped health agencies on Thursday asking if they should be tested for the AIDS virus, officials said.

calls had poured in to advice centers, doctors and hospitals since Wednesday morning. Germany's health insurance agencies estimate that up to two million people nationwide must be screened. Lower Saxony expects 1.2 million tests within its own borders.

"Profits should not be allowed to be made in the blood business," said Ellis Hüber, head of Berlin's doctors' association. "The temptation to cheat is too great."

of UB Plasma, the Koblenz company that was shut last week on suspicion of not properly testing all its blood products, had weakened her earlier assertion that the company had knowingly sold tainted plasma.

A Breakthrough? Peres Is Mysterious

By Clyde Haberman

JERUSALEM — Israel's foreign minister, Shimon Peres, has dropped broad hints of a possible breakthrough in peace negotiations with an Arab country.

747 Skids Into Hong Kong Harbor, All Escape

Compiled by Our Staff From Dispatches

HONG KONG — A Taiwan jumbo jet with nearly 300 people aboard skidded off the runway and plunged into the sea Thursday while trying to land in strong winds and heavy rain at Kai Tak airport in Hong Kong.

and 22 crew members were evacuated to safety. David Wu, a passenger from Taipei, said afterward, "There was no panic, just kids crying."

"According to the captain, just after he touched down, the wind changed," Mr. Liu said. "He felt he could not make a complete stop. He used the brakes, he used the reverse thrust. He tried his best, but he couldn't stop the aircraft."

port as Kai Tak approaches its full capacity of 24 million passengers a year, boosted by China's booming economy.

Quake Hit Southwest Greece

The Associated Press

ATHENS — A strong earthquake struck southwestern Greece on Thursday, causing panic among residents in the port cities of Patra and Aigion but no damage or injuries. It measured 5.4 on the Richter scale.

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Paris to Cut Algiers Staff After Threat

PARIS (Reuters) — Foreign Minister Alain Juppé said Thursday that France was taking very seriously threats by Muslim fundamentalists to kill foreigners in Algeria and would reduce its embassy and consular staff in Algiers.

Chrétien Assumes Canada Leadership

OTTAWA (AP) — Jean Chrétien, whose Liberal Party was swept to power by dissatisfaction with the Canadian economy, took over as prime minister Thursday and is expected to move quickly to try to create jobs.

Croats Flee Town Taken by Muslims

SARAJEVO, Bosnia-Herzegovina (Combined Dispatches) — The central Bosnian town of Vares fell to Muslim troops Thursday after Croatian forces abandoned their positions and fled along with some 15,000 Croats.

Lord Upheld on Ownership of Silver

NEW YORK (Reuters) — A New York jury decided Thursday after a six-week trial that an English lord was the rightful owner of a collection of ancient Roman silver valued at up to \$100 million.

Patten Ready for Talks With Major

HONG KONG (AFP) — Governor Chris Patten leaves Friday for London to decide whether to press unilaterally with proposals for political changes in Hong Kong.

Boy Beckoned Victim, Witness Says

PRESTON, England (Reuters) — Witnesses at the murder trial of two schoolboys described on Thursday how they had seen the 2-year-old victim skipping freely toward a beckoning boy and clutching his hand as he was led away to death.

Corrections

An article in Thursday's editions about German AIDS tests gave an erroneous figure for the number of hemophiliacs in France who have died as a result of receiving contaminated blood products. Of 1,200 people infected, 334 have died, according to the French Association of Hemophiliacs.

TRAVEL UPDATE

Paratroopers to Drop on D-Day 1994

PARIS (Reuters) — Paratroopers from four nations will drop over the Normandy beaches June 6 to celebrate the 50th anniversary of the Allied invasion of Europe, which led to the defeat of Germany.

Four persons died in Italy and at least three others were badly injured when fire broke out after more than 20 vehicles, including trucks, crashed in a tunnel Thursday on the highway between Florence and Bologna. A witness blamed excessive speed.

The Dubai airport will close daily from 2:30 to 5:30 P.M. during an international air show from Sunday until next Thursday, organizers said Thursday.

Air France flight schedules are to return to normal Friday apart from that of the Concorde, which will do so Monday, the company said. (AFP)





German Approaches Japan on Defense

# Warning On Ties To Iran

## U.S. Assails Some In EC for Links

BRUSSELS — The United States criticized the European Community on Thursday for allowing some of its members to break ranks and reopen links with Iran, warning that it contained echoes of events leading up to the Gulf War.

"This is a real source of tension between us," Stuart E. Eizenstat, the U.S. representative to the Community, said at a seminar on EC-U.S. relations.

He said that Secretary of State Warren M. Christopher felt that Iran must remain quarantined until it changed its policies, but that some EC states had undermined this stance by reopening trade and diplomatic ties to Tehran.

"This is too close an echo of what happened with Iraq," Mr. Eizenstat warned.

Germany provoked protests in mid-October over an official visit to Bonn by the Iranian intelligence chief, Ali Fallahiyeh, justifying it on the grounds that contacts with Tehran were essential for humanitarian as well as political reasons.

The visit prompted the United States to take the unusual step of publicly objecting to Bonn's ties to Iran.

**Embassy Seizure Marked**  
Iran on Thursday celebrated the 14th anniversary of the seizure of the U.S. Embassy in Tehran as a "humiliation of the Great Satan," Agence France-Presse reported from Tehran.

The country's spiritual guide, Ayatollah Sayed Ali Khamenei, ruled out any chance of improving relations with Washington.

"There is no need for us to talk with dictators," he said. "But if relations are to be restored one day, we shall be the ones to set the preconditions: that they repent for all the tragedies they have created worldwide."

Thousands of demonstrators took to the streets of the capital on Thursday, shouting "death to America, death to Israel," they burned U.S. flags and effigies of Uncle Sam to mark what newspapers called the "humiliation of the Great Satan."

The parliamentary speaker, Ali Akbar Nategh Nuri, said negotiations with Washington were "out of the question."

"The problems between Iran and the United States," he said, "are insurmountable."

On Nov. 4, 1979, just months after the Islamic revolution that toppled the pro-Western Shah, students seized hostages in the U.S. Embassy. Most were not released until January 1981.

Ayatollah Khamenei, addressing students Wednesday night, praised the embassy takeover as a "courageous and vigilant" action.

He condemned advocates of dialogue with Washington as "naive, cowardly and ignorant."

Saeed Rajai Khorassani, an influential moderate in the Iranian parliament, has called for negotiations toward a normalization of ties with the United States.

Ali Akbar Mohtashemi, a hard-line radical, urged Ayatollah Khamenei to block any move toward reconciliation. "Iran's revolutionary forces," he warned, "will never allow such a humiliation."

**57 Years Later, Russia Church Reconsecrated**

MOSCOW — The head of the Russian Orthodox Church and priests in gold, black and white robes reconsecrated a cathedral in Red Square on Thursday that had been destroyed on Stalin's orders more than a half-century ago.

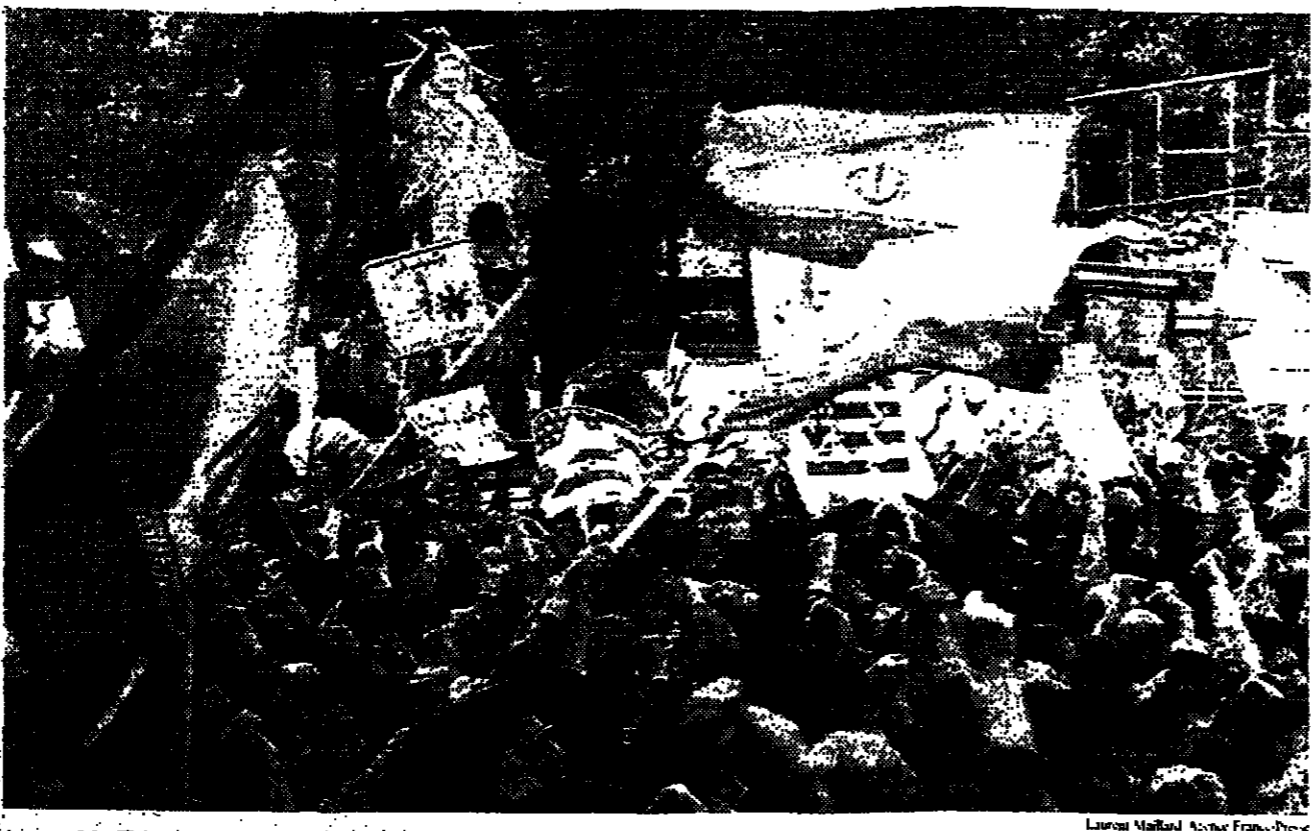
The rebuilding of the Kazan Cathedral gave evidence of the rise in the church's fortunes since the collapse of the Soviet Union. As a choir sang, President Boris N. Yeltsin and other senior government leaders attended the ceremony, which was watched by hundreds of people holding candles.

A few hundred yards away stands the tomb of Lenin, the father of Russian communism. City officials want to close the tomb and remove Lenin's body, to sever ties with the Communist past.

The 300-year-old cathedral, one of the most important holy sites in Russia, was torn down in 1936 because Stalin wanted to crush the Orthodox Church. The destruction cleared the way for military parades held by the Communists in Red Square.

Reconstruction of the cathedral began in 1992, financed by government and public donations. The squat pink building, with gold domes and crosses, stands near the famous GUM department store.

Mr. Yeltsin told Patriarch Alexei II, head of the church, that the government would return the country's two most venerated icons from a state collection. The announcement ended a long-running dispute between the church and museum officials.



A crowd in Tehran on Monday celebrating the 14th anniversary of the seizure of the U.S. Embassy and its American hostages.

# U.S. Troops to Re-emerge in Somalia

By Keith B. Richburg  
Washington Post Service

MOGADISHU, Somalia — U.S. officials here say that American troops will re-establish a high-profile military presence on the capital's dangerous streets after weeks of not venturing beyond their fortified barracks.

Robert B. Oakley, the special U.S. envoy to the region, said at a closed-door meeting with representatives of foreign and Somali humanitarian relief groups Wednesday that the American troops, alongside their UN counterparts, should begin undertaking more visible activities "of a peaceful nature" in the next few days, according to relief officials who attended the session.

Colonel Steve Ransch, a Pentagon spokesman in Mogadishu, said that some new military operations in the capital were imminent. He said they would be aimed at reopening Mogadishu's major roads, which in recent weeks have been taken over by Somali militiamen openly displaying their automatic weapons for the first time since U.S. Marines landed here nearly 11 months ago.

One U.S. military official said Major General Thomas Montgomery, commander of American forces in Somalia, was still working out the details of the new U.S. activities, including trying to answer such questions as whether the American troops will patrol jointly with Pakistani UN peacekeepers on major routes in dangerous areas.

This official said there were no plans for U.S. troops to man permanent checkpoints on those routes, or to conduct "routine" patrolling.

The public comments of Mr. Oakley and Colonel Ransch, and the private remarks of other U.S. officials, were apparently intended to counter recent criticism that the 7,200 American troops in Mogadishu would be doing little more than protecting themselves and preparing for the eventual departure of all U.S. forces next March.

Mr. Ransch said in an interview that there would be "over the next couple of weeks, an increase in visibility of U.S. troops." He said the heightened troop presence would not involve American troops "going house to house or anything like that."

Colonel Ransch said: "There's a lot of concern about the weapons carried openly on the streets. We're not just going to sit around our compounds."

Possible future operations include removing Somali barricades on 21 October Road, preferably after reaching agreement with the faction led by Mohammed Farrah Aidid, Colonel Ransch said.

"We're not going to pick a fight," Colonel Ransch said. "But if there's one available, we're not going to run away from it, either."

Mr. Oakley and Colonel Ransch both said the planned shift to a more visible U.S. military presence in the streets did not represent a change to a more aggressive policy. Rather, they said, it was in keeping with President Clinton's pledge to use American troops to reopen the capital's "lines of communication" — meaning the major routes traveled by American and UN troops and relief agencies.

The new U.S. posture — a muscular military presence on the streets coupled with behind-the-scenes negotiations to reduce the risk of confrontation — in many ways appears to imitate the initial stages of the American intervention last December. At that time, U.S. Marines fanned out through the streets only after Mr. Oakley and other diplomats had negotiated with General Aidid and his militia not to display firearms or challenge the U.S. troops.

**Early Pullout Rejected**  
Daniel Williams of The Washington Post reported from Washington: A House panel narrowly rejected a Republican-led bid to force an early withdrawal of U.S. troops from Somalia. Opponents argued that such a move would embarrass President Clinton.

Benjamin A. Gilman of New York, the ranking Republican on the House Foreign Relations Committee, had called for withdrawal by Jan. 31 rather than the March 31 deadline set by Mr. Clinton last month. The panel chairman, Lee H. Hamilton, Democrat of Indiana, countered with an amendment supporting Mr. Clinton's date.

Mr. Hamilton's blocking action won by a 22-to-21 vote after the

House speaker, Thomas S. Foley, Democrat of Washington, telephoned wavering Democrats. The vote complemented action last month by the Senate, which con-

cluded with Mr. Clinton's deadline. Administration officials testifying before the vote Wednesday emphasized logistical reasons for staying in Somalia. One said an early

pullout would be "extremely difficult." Others said it would hamper efforts to recruit international replacements under the United Nations banner.

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- Is your information strategy focused on helping you hear what customers and markets are trying to tell you?  Yes  No  
The next best thing to reading your customer's minds is listening to what they're saying. But unless you're constantly tuned in to customers' signals, you're missing messages that could guide you to greater results for your business.
- Can your organization respond quickly to what customers and markets are telling you?  Yes  No  
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INTERNATIONAL Herald Tribune

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A Fine Day for Republicans

Tuesday was a fine day for Republicans. They swept the three biggest contests...

A Sad Exit in Jerusalem

As mayor of Jerusalem for 28 years, Teddy Kollek has presided memorably as the blunt-spoken but equitable magistrate of a fractious city...

Romania in From the Cold

No place in formerly Communist Eastern Europe has had a tougher time breaking away from the old controls and habits than Romania...

Other Comment

Danger on the Subcontinent

The latest flare-up of violence in Kashmir has again reminded the world of the smoldering conflict on the Indian subcontinent...

The Wages of Bad Taste?

I know that we should not, but we Britons seem to think the Great Fire of Hollywood funny...

A Waiting Game on Haiti

The United States and other countries appear satisfied, for now, with observing the oil and arms embargo imposed by the United Nations on Haiti...



French and Americans Playing a Dangerous Game

By Flora Lewis

WASHINGTON — It's just over a month to go now to decide whether Dec. 15 will go down in history as Black Wednesday...

In Muslim Pakistan, a Fresh Start for Democracy

By Nicholas Platt

WASHINGTON — Benazir Bhutto's re-election as prime minister of Pakistan is one of the great comebacks in modern political history...

A Real European Union Would Care About Ulster

By Alexander MacLeod

LONDON — If the rhetoric in the Maastricht treaty about an ever deepening identity of interests among European Community member states means anything, then it should surely provide a framework for Europe to do something about the ever deepening bloodbath into which Northern Ireland is sinking...

A Foretaste Of Change For 1994?

By William Safire

WASHINGTON — To Tip O'Neill's dictum "All politics is local," we append Safire's Corollary: "All local politics is now national."

In Virginia, a stone's throw from Washington, Republican George Allen ran against the "Clinton-Wilder-Robb" set, the Clinton tax double cross and the Clinton government-controlled health plan...

What do this week's three-for-three Republican victories, added to three-for-three earlier this year, mean for national politics? The impossible is now possible: control of the U.S. Senate is within reach...

California Governor Pete Wilson is on the comeback trail; if re-elected in '94, he and Jack Kemp — both read-on conservatives — will be front-runners in the primaries...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: To Free the 'Pope'

ROME — The police have arrested four persons charged with swindling. A woman calling herself the Countess of St. Armand, and a man calling himself the Duke of Bussalini, have, by means of a strange story concerning the Pope, managed to work on the feelings of pious people and obtain large sums...

1918: Terms of Peace

LONDON — The Washington correspondent of the "Morning Post" in a special dispatch writes: "The American public generally believes that the Republicans are more determined than the Democrats to impose upon Germany very severe peace conditions."

It is said in Republican political circles in Washington that Germany should not be allowed to discuss the terms of peace, but simply accept with all submission. One cannot distinguish between Germany and her allies, Bulgaria, Turkey and Austria, although it is to be conceded that the former is the more guilty."

1943: German Casualties

LONDON — [From our New York edition.] Germany has suffered 2,750,000 casualties, nearly 1,000,000 of them killed and captured during four months of a still-rolling Red Army offensive which threatens to hurt the Nazi Army out of Russia this winter, a special Moscow announcement disclosed last night (Nov. 4). Since July 3, when the Germans "failed disgracefully" in their own brief offensive in the Orel-Kursk-Belgorod salient region, the Russians have killed 900,000 Germans and captured 90,000, half of them wounded, said the special war review.

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كسوة من الأمل

OPINION

Mapping Out a Trisected World

By Alvin Toffler and Heidi Toffler

NEW YORK — Why doesn't America know where it is going? U.S. foreign and military policy is swerving like a drunken driver without a map. It shows no clear grasp of vital short-term national interests, let alone of the long-term shape of the global system.



California: No Mystery, It Was Meant to Burn

By Marc Reisner

LAGUNA BEACH, California — Most years, usually in September or October, a big piece of California goes up in flames. Because nature in California is profoundly misunderstood, reactions run from surprise to shock.

LETTERS TO THE EDITOR

Easy Does It on NAFTA

Regarding "A Case for NAFTA, Quick and Dirty" (Opinion, Oct. 22) by William Safire:

Still With Us

Regarding "It's 'Take-Charge' Haig Rushing to Forgive Beijing" (Oct. 30) by A. M. Rosenthal:

Justice Indeed

Regarding "Justice for J. J. Pollard" (Letters, Oct. 20):

The Four-Day Week

Regarding the report "Short of Jobs, Europe Weighs a Shorter Workweek" (Oct. 27):

Columbus in Context

Regarding "America the Greatest" (Back Page, Oct. 15):

BOOKS

A HISTORY OF WARFARE

By John Keegan. Illustrated. 432 pages. \$27.50. Alfred A. Knopf.

SINCE making war seems to have been humankind's chief activity until now, any history of war is almost bound to be endless. How then has John Keegan, in his absorbing book, "A History of Warfare," succeeded in telling the whole grim story in a little more than 400 pages?

WHAT THEY'RE READING

• Birgit Breuel, president of the Treubhandanstalt, Germany's privatization authority, is reading "Die Deutschen vor ihrer Zukunft," by Christian Graf von Krockow.

horses to the stage where they could be ridden by warriors from the great steppe of Asia like the Huns, the Mongols and the Turks, who preyed on Europe from the 5th through the 13th centuries.

biologists, psychologists, ethnologists and anthropologists, he brings up Harry Turney-High's "Primitive Warfare" (1949), a deliberately provocative book by an American anthropologist exasperated by the ignorance of social scientists about the concrete aspects of military history.

Keegan, former senior lecturer at the Royal Military Academy, Sandhurst, and now defense editor of The Daily Telegraph, adds: "Turney-High was right: I constantly recall the look of disgust that passed over the face of a highly distinguished curator of one of the greatest collections of arms and armor in the world when I casually remarked to him that a common type of debris removed from the flesh of wounded men by surgeons in the gunpowder age was broken bone and teeth from neighbors in the ranks."

BRIDGE

By Alan Truscott

ONE of the most difficult areas of slam bidding is to determine when agreement on a trump suit should end in disagreement. If hearts have been bid and raised, for example, it is hard to adjust to the possibility that it could be right to play in spades, diamonds, clubs or no-trump.

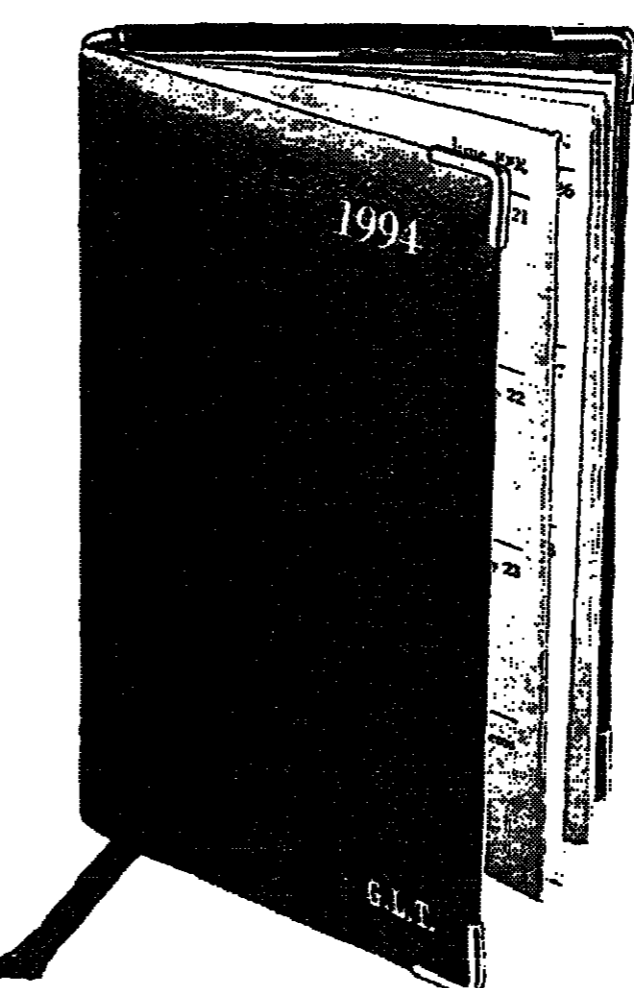
BRIDGE

By South. That might have been reached if North had chosen a cue-bid of three diamonds on the second round, but three hearts was normal and the fit in that suit was uncovered.

Christopher Lehmann-Haupt is on the staff of The New York Times.

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# I H T S U R E

## Aboard the Oriental Express: Some Luxury, Much Turbulence

By Philip Shenon  
New York Times Service

**B**ANGKOK — As he gathered up my bags in the soggy heat of Bangkok's Hualamphong Railway Station, the aging Thai porter made a quick assumption about this American traveler who was standing — and sweating — before him.

"I think you go Oriental Express. O.K.," he said, noticing in my shirt pocket the jade-green ticket jacket printed with an ostentatious logo and the initials E & O for Eastern & Oriental Express, the luxury train that has been running between Bangkok and Singapore since Sept. 19 and bills itself as Asia's answer to the fabled Orient Express of Europe.

The 17 glistering rail cars of the Oriental Express were my home for the next 41 hours and 1,200 miles (2,000 kilometers) on a journey that, according to the glossy brochures, would re-create a style of rail travel redolent of the charm and grace of the old East.

Well, much this is true: The Oriental Express is a handsome, well-appointed train that passes through stretches of exotic Asian countryside rarely seen by tourists. But it is an uncomfortable, lurching ride; there is a strange chintziness in serving food and drink, and a sleep-deprived staff. It also takes a lot of money to ride on the Oriental Express—a minimum of \$1,200 a person for the two-night one-way trip.

The first impressions were all good. I was greeted at the door of the train both by a welcome blast of air-conditioning and by Ekachai, the young Thai cabin attendant who seemed to remain awake day and night throughout the trip tending to the six cabins in my car.

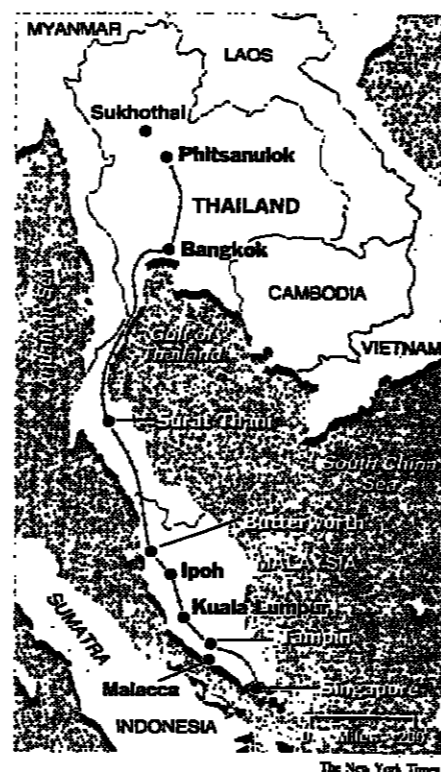
The handsome interior design is of light inlaid wood in a checkerboard pattern, with smoked-glass, rosebud-shaped lights set across the ceiling. It didn't strike me as very Asian, but the brochures say the interiors were inspired by the rail cars that co-starred with Marlene Dietrich in the 1932 film "Shanghai Express."

There are three levels of accommodations on the Oriental Express. I was by myself in one of the two-person sleepers, the smallest compartments. While compact — maybe 7 feet by 5 feet (2.1 by 1.5 meters), with a fold-down upper bunk — they are outfitted with enough fine woodwork, marble and silk to encourage you to forget the cramped quarters. Each cabin has a small bathroom with a hot-water shower.

The whistle blew at 3:30, and we pulled out of Bangkok right on schedule. I poured myself another cup of coffee, propped my feet up on a velvet footstool and sat back to enjoy the passing view of the city. The first hour of the trip turned out to be enlightening, not entertaining, as the train sloshed through sprawling, tin-roofed slums and smoke-belching factories — the evidence of an economic boom that has created great wealth among some Thais but left many others behind. Later in the afternoon, as the train circled round and began to head south toward Malaysia, the view became postcard perfect: lush palm groves and paddy fields dotted with gilded Buddhist temples under a brilliant blue sky.

The first hint of trouble came as the train picked up speed outside of Bangkok. First, there was the sound of the coffee cup jangling violently against the saucer. Then my notebook tumbled to the floor from the small writing desk.

Of the problems faced by passengers traveling on the Oriental Express, the most serious — and the one that may be hardest to fix — is the track that it rides on. Because of the ceaseless heat and humidity of Southeast Asia, the earth beneath the tracks is often spongy, making a smooth ride almost impossible, no matter how much shock absorption is built into the train.



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The rail cars of the Oriental Express were built in Japan in the 1970s and recently

overhauled. Even so, much of the ride compares to a plane flying through turbulence, and several passengers complained throughout the trip of feeling slightly queasy. (A spokesman for Eastern & Oriental Express Co. says the problem can be remedied by limiting the speed of the train, which the company intends to do.)

In a moment of high pretension, I had gone out the day before the trip and bought a collection of Somerset Maugham short stories — the appropriate reading for this train, I thought. But the bumpy ride made it almost impossible to read, and I quickly decamped for the bar car.

The conversation around the bar mixed easily with the sweet whang of a type of xylophone known in Thai as a *rarak ek*. It was played with great skill by a young Thai woman in traditional costume.

The bar car became the train's center of activity. (There was a library car with magazines and books, but, oddly, it had the worst lighting in the train.) The bar car also seemed to function as a healthy profit center for the train's owners, since drinks, including soft drinks and fruit juice, are not free — a nervy decision given the hefty ticket price. (A Thai beer cost \$6.) For most passengers, the highlight of the trip came at mealtimes in the two pretty dining cars, one of them done in a Malaysian motif, the other with Chinese lacquered walls handpainted with flowers.

A brochure given to us as we boarded the train offered the following fashion counsel: "Suggested dress for evening dining is jacket and tie for gentlemen. However, the ambience of the train provides a marvelous opportunity to re-create the style and glamour of a bygone age, and dressing up is encouraged."

The three-course meal was a disappointment, with minuscule portions and — unless you wanted to pay extra for the privilege — no choices from the menu. I did not care for the set-menu entree, crispy duck with ginger, and instead opted for the grilled prawns with

herbs, which set me back \$25 for three undercooked, slightly grainy prawns. I resisted ordering the cheese board at the end of the meal (an extra \$12) and the fresh fruit (\$8).

During the meal, the diligent Ekachai had converted the long coach in my compartment into a comfortable bed, made up with crisp white linens. A single orchid was left on the pillow.

I T was a fitful night, both because of the bumpy ride and because of a faulty air-conditioning system that left my cabin — and many others — much too warm. (A company spokesman later told me that repairs to the air-conditioners had mostly remedied the problem.)

I was bleary-eyed but wide awake when Ekachai knocked on my door at 8:15 with a tray of breakfast — coffee, croissant, cheese Danish and strawberry yogurt. I took my first shower on a train ever, and, as I shaved, opened the Venetian blinds to see the vista of rural Thailand — rice paddies reaching to the horizon, with small figures crouching in the distance, already hard at work in the fields.

At 2:15, the train arrived in the Malaysian port city of Butterworth, the jumping-off point for a two-hour bus tour for passengers to Penang, the island that functions as Malaysia's Silicon Valley. The trip was too brief, but it did offer a glimpse of the colonial architecture — small row houses and pastel-shaded storefronts — that has disappeared from much of the rest of Southeast Asia.

Back on the train, the afternoon's view was the most dramatic of the trip — the feard jungle of peninsular Malaysia enveloping the train, creepers brushing against the windows and roof. The jungle occasionally gave way to craggy limestone hills, and to small villages of thatched-roofed wooden homes built on stilts.

Dinner was better than the night before — shark's fin soup as an appetizer, followed by lamb. Afterward, my dinner-table quartet

went for drinks in the bar car, where we were struck by the fact that the Kobaya-clad Malaysian hostesses serving us were the same women we had been seeing since early that morning — and all of the day before.

"On the outside we smile, but on the inside we are very tired," one of the hostesses told us. Several employees said they worked almost nonstop during the three-day trip — in the case of some of the bar hostesses, from 7:45 in the morning until the closing of the bar, which can be as late as 3 A.M. — and that when they did get a break, they, like the passengers, found it difficult to sleep. The result was a staff that was close to collapse by the end of the journey and could hardly be blamed for occasional lapses in service. (The company says that all employees are given adequate time to sleep but that some choose to keep working because it may mean larger tips.)

Ekachai knocked on the door at 8 the next morning to alert me that we would soon arrive in Singapore, the end of the journey. I dressed and made my way to the bar car as the train began to glide over the long causeway that links Malaysia to Singapore.

The next morning, the first glimpse of Singapore, with its rows of futuristic skyscrapers and ruthlessly well-tended public gardens, could not contrast more sharply with what we had left behind two days earlier in Bangkok.

As we rumbled into Singapore's train station shortly after 9, even trusty Ekachai was beginning to show the effects of too little rest. Still, he insisted on unloading my bags from the train and helping us down to the platform. I offered him a tip, which he accepted with a small bow and a final good-bye.

## A Stroll Through the Bamboo Boom

By Christopher Petkanas

**G**ENERARGUES, France — Not all of the 350,000 visitors who wander tranquilly every year through the Bamboueraie bamboo park here know that Buddha considered this surprising member of the grass family a direct line to wisdom, serenity, purity and longevity. But its utility doesn't stop there. The chic culm can be manipulated into pencil cups and window blinds and tacky back scratchers as everyone knows, but also into blowguns and parquet and house gutters that don't leak.

The 150 species of bamboo in the 42-acre (17-hectare) Bamboueraie, about 30 miles west of Avignon outside the old pottery town of Anduze, are in addition high vegetable theater. For bamboo grows faster — more than 3.5 feet a day in some cases — than any other plant in the botanical universe. At the Bamboueraie, which fills a picturesque fold in the Cévennes mountains, the tallest measures 82 feet (25 meters), with a diameter of almost four inches.

Yes, Crouzet, who owns and manages the Bamboueraie as well as a smaller bamboo park, Jardins d'Ombre et Lumière, outside Paris in La Varenne Saint Hilaire, says men who have never been touched by the frailty of a Missouri Evening primrose or the hands-off glamour of a Catherine Deneuve rose are

moved by bamboo because they have some connection to it. "Fishermen and archers come here and see the living material from which their poles and bows are made and are fascinated," he says.

"Gastronomes recognize bamboo shoots on their plates but have never seen them sprouting from the culm. Apart from the cool, soporific, slightly threatening pleasure of younging the garden (one begins to feel it's them against us), the Bamboueraie has a handsome, synthetically designed nursery with a thorough selection of dwarf (up to 5 feet), small (10 feet), medium (30 feet), giant (over 30 feet) and collector's bamboo. Some 300,000 plants are sold annually.

Bamboo's time, it seems, is now. The French headline it "Le Boom du Bamboo." In September the European Association of Bamboo hosted a forum posing the question: "Is bamboo in the garden a fashion phenomenon, a new trend like all the others, or can one speak of a new culture being ushered in?"

Crouzet, a former president of the association, responds that once the current excess of enthusiasm falls away, as it inevitably will, the plant will become more accessible and better understood. Often, noted Crouzet, who employs 36 gardeners, bamboo is erroneously thought to be savagely invasive, suited only to hot climates, unsuitable in residential plots (you can make a lawn with

the right dwarf variety), and unsuitable in water gardens (the one at the Bamboueraie, filled with *koji*, Japanese carp, gives that the lie).

These are some of the assumptions that bamboo societies from the United States, Japan, China and Australia will try to correct when they convene for the Fourth International Bamboo Conference in Bali in June 1995.

It took a fanatic, someone willing to lose it all — which he did — to create the Bamboueraie. On land that had been devoted to grapes and mulberry trees for the nourishment of silkworms, Eugene Mazel began planting his private kingdom as a hobby in 1850 with the profits of a career importing spices from Asia out of Marseille. It was Mazel who aggressively stocked the Continent with many varieties of bamboo from his trips to the East.

SIX years after his arrival in the department of the Gard, Mazel spent 100,000 gold louis on a dam and an almost two-mile canal to divert water from the Gardon River. It helped ruin him. After signing the domain over to the bank Crédit Foncier de France in 1880, Mazel drowned in Marseilles harbor, a very angry, defeated man. Naturally bamboo meant nothing to the bank. So it leased the land to poor, unlucky farmers whose plowshares were torn up by the plant's famously steely rhizomes. Mazel had his revenge.

In 1902 the park found a rescuer in Gaston Negre, grandfather of Crouzet's wife, Muriel. By 1920, Negre was publishing a catalogue advertising lengths of bamboo for

"airplanes, radio antennae, masts, horse shows, etc." Adapting the saying about French cheese, Negre liked to say there are more uses for the plant than days in the year.

Yes, Montand rode his truck through a muddy Bamboueraie in "Le Salaire de la Peur" and more film crews followed — directors wanting a French location that suggests the sort of tropics in which bamboo flourishes can't do better. The garden was dealt its last bad hand in 1958, when floods buried it under 12 feet of water.

Barring natural disasters, its future was assured in 1972 when Muriel Negre married Yves Crouzet, who explains, "My passion for bamboo is born of my love for my wife," and who has filled a boutique at the Bamboueraie with back scratchers but also with good-looking baskets and trays and steamers.

The Crouzets' isn't the only love story being lived out among the bamboo. Lovers leave each other carved messages on the culms of a *Phyllostachys puberula*. "Je t'aime," "Lily, always yours," "La Bamboueraie, Générargues, 30140 Anduze, France. Tel: 66.61.70.47. Open March to December, 9:30 A.M. to dusk (in winter, 10 A.M. to dusk).

Jardins d'Ombre et Lumière, 9 Rue Lafayette, 94210 La Varenne Saint Hilaire. Tel: 48.89.30.05. Open Tuesdays to Saturdays and the first Sunday of every month, 9 A.M. to 12 and 2 to 6 P.M. Closed August.

Christopher Petkanas is the author of "At Home in France," a book about eating and entertaining in private French homes.

## THE MOVIE GUIDE

### Mozzapa

*Directed by Bartabas. France.*  
Bartabas, the director of the Zingaro equestrian circus outside Paris, has shown that he is more than a riding master. This film, his first, is fired by old obsessions: An artist (modeled on Théodore Géricault, played by Miguel Bose) meets a master (Bartabas) who initiates him to the mysterious world of horses and the dark side of his own animal nature. There is some suggestion of intrigue, with a young acrobat exercising his seduction from behind a blond horsehair mane. It's the horses, however — defecating, mating, birthing — who take center stage. This makes an absorbing show, except that Bartabas' obsessions may not touch all of us. There's an amazing sequence of the master galloping in slow motion, which is, perhaps, what he does best; it does not a movie make. Bartabas works his art more potently from the ring, the small arena, where the enraptured audience can feel the heat of his imagination. (Joan Dupont, IHT)

*Judgment Night*  
Directed by Stephen Hopkins. U.S.

"Judgment Night" is regrettably familiar fare. It follows the travails of a quartet of self-satisfied suburban buddies on a boys' night out to a downtown boxing match, trying to dodge a traffic jam in their rented limo, they drive astray into "the ghetto." What they find is that it's an urban jungle in there, one they are ill-equipped to handle. Unfortunately, there's precious little tension in this cat-and-louse tale, and certainly none of the racial tension one might expect. The filmmakers have made a big deal of a soundtrack that features 10 collaborations between rappers and rockers, but their casting consciousness is less adventurous. True, Cuba Gooding Jr. plays one of the four buddies, but this is essentially a white-bread production in which Denis Leary plays the heavy simply



Scenes from "Mr. Wonderful" (left); "Judgment Night" (top) and "Fatal Instinct."

by adding a psychotic edge to his motor-mouth MTV rant. Since the action is mostly night-footed, the film is very dark as it moves from alleys and abandoned freight cars, down through sewers and up to tenement rooftops. And Hopkins resorts to that most clichéd of action finales, the brawl in a room filled with glass and pottery. (Richard Harrington, WP)

### Fatal Instinct

*Directed by Carl Reiner. U.S.*  
"Fatal Instinct" is Carl Reiner's hit-or-miss film noir parody, a collection of gags that vary much too wildly in terms of timing and wit. All that hold this comedy together are a playful outlook and a conviction that detective stories are intrinsically funny. Some of the comic collisions have a silliness that really is in-

spired. But parts of the film are also creaky and strained. Subtlety is hardly the mainstay of this type of send-up, but sometimes it helps. (Janet Maslin, NYT)

### Mr. Wonderful

*Directed by Anthony Minghella. U.S.*  
"Mr. Wonderful" is a terrific little movie. There's nothing terribly startling or original about it and yet it doesn't seem like any other film. Director Anthony Minghella and screenwriters Amy Schor and Vicki Polon understand the secret of a good romantic comedy: The characters must come first. Gus (Matt Dillon) is a Con Edison electrical worker in New York divorced from his high school sweetheart, Lee (Annabella Sciorra), and involved with Rita (Mary-Louise Parker), a nurse who waits him to stop stuttering. But parts of the film are also creaky and strained. Subtlety is hardly the mainstay of this type of send-up, but sometimes it helps. (Janet Maslin, NYT)

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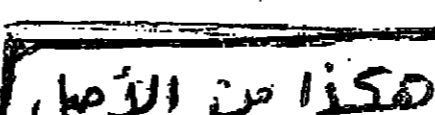
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# Traveling With Kids: Be Prepared

By Barbara Rosen

**B**RUSSELS — After all those years of praying that the screaming baby in the departure lounge was on someone else's flight, the shoe is on the other foot. Infant in arms, you now pace the lounge praying that takeoff will coincide with feeding time. Will vacation ever again mean relaxation?

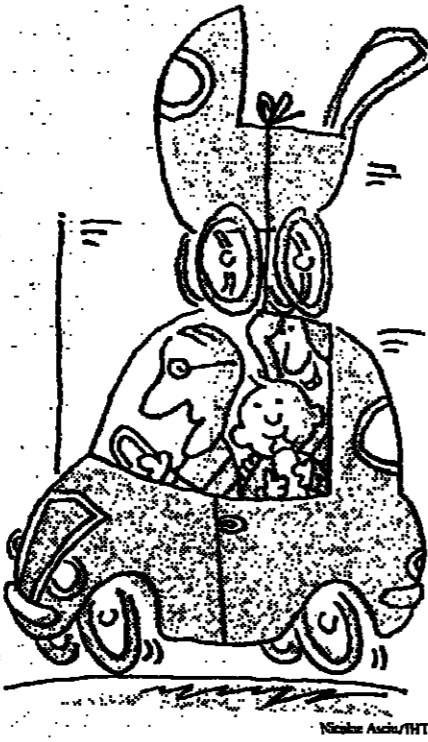
Traveling with tots is bound to have trying moments. But aggravation can be kept to a minimum if you follow the "don't assume" rule. Before reserving anything, ask every question that pops into your head. Many parents have struggled through an airport laden with child and carry-on because no one told them they could check the stroller, and get it back, at the gate.

Some parents find that package holidays make life simpler, offering, for example, medical help in the local language and the society of other people with kids.

"But I don't think there's any reason not to travel independently either," says Sheila Sang, editor of "How to Have Stress-Free Family Holidays" (Bloomsbury, London).

If you plan to go independent, national tourism offices are a good place to start. While the child-related information at some consists mainly of brochures showing amusement parks, others are more useful. The Italian and Irish offices in Brussels, for example, have lists showing which hotels offer baby-sitting or are otherwise "family friendly."

As for getting where you're going, here are a few hints:



all on trains in Italy or, for example, the Brussels-to-Rome Italia Express, according to Ferrovie dello Stato and Wagons-Lits.

**IN THE AIR**  
Children's international air fares are generally 10 percent of the adult fare for those under 2, and a higher proportion for older kids or any under-2s with a reserved seat. But there the generalities stop.

Some airlines now let children fly in an approved car seat strapped into an airplane seat. British Airways allows use of the seats for children aged 6 months to 3 years, even during takeoff, landing and turbulence. American Airlines, on its flights between Europe and the United States, allows only infant car seats, and only during smooth mid-flight. Virgin Atlantic Airways offers specially designed Infant Passenger seats for children 6 months to 3 years.

under 4 can travel free. In France, the SNCF's Carte Kivi means half-fare for a child (free under 4) and up to four companions.

But conditions aboard differ widely. SNCF says that many French long-distance trains have areas designated for family seating, as well as changing tables and plugs for bottle-warmers; some even have game rooms.

On British Rail, you can reserve seats around a table, but you may be changing the baby on it. Only the east coast main line between London Kings Cross and York and Edinburgh or Leeds has changing tables in the toilets. There are no changing tables at

All Sabena flights offer bassinets that are attached to a wall and can be used for a child under 2. On American Airlines flights to the United States, the only bassinets available go on the floor at your feet (unless the next seat is empty) and are usable only up to 1 year of age. If you're on a full flight from Madrid to Miami with your 18-month-old daughter, for whom you paid 10 percent of the adult fare, her place for 9½ hours is on your lap, says an American Airlines spokeswoman, Nathalie Clavier-Toxé, in Paris.

Most airlines say they can always at least heat up a bottle and provide an emergency diaper. But don't bother looking for a changing table if you're flying a CSA Boeing 737 from Paris to Prague (1 hour, 25 minutes) or a Sabena 737 from Brussels to Istanbul (3 hours, 25 minutes). You will, however, find one aboard a LOT 737 between Brussels and Warsaw (1 hour, 30 minutes).

A final word of warning: It is always better to make your needs known in advance, says Sang: "If you don't ask for something like a bassinet, you're not necessarily going to get it."

Barbara Rosen is a free-lance journalist living in Brussels.

## THE ARTS GUIDE



Four lithographs by Alphonse Mucha, from the late 1890s, at the Barbican Gallery in London.

- AUSTRIA**  
Vienna  
Konzerthaus (tel: 712.46.96-01)  
Nov. 29 to Dec. 20. "Mozart Festival 93." Among the works to be performed are the "Church Sonata in D major," the "Missa Georges in D minor," conducted by Georges Pretre, and "Marriage of Figaro." Orchestras will include the Vienna Symphony Orchestra and the Czech Philharmonic.
- FRANCE**  
Paris  
Grand Palais (tel: 44.13.17.17).  
Continuing/To Jan. 5: "Nabis: Bonnard, Vuillard, Maurice Denis, Vallotton, 1889-1900."  
Musée de la Ville de la Seine (tel: 45.56.60.12). To Dec. 4: "Oto Dix: Watercolors, Drawings, Etchings." About 50 works on paper created between 1910 and 1930, including portraits and self-portraits as well as pieces inspired by the artistic community in Berlin where Dix lived in 1925.  
Musée Marmottan-Claude Monet (tel: 42.24.07.02). Continuing/To Dec. 31: "Homage aux Femmes Impressionnistes."  
Musée d'Orsay (tel: 40.49.48.65). Continuing/To Jan. 2: "From Cézanne to Matisse: Masterpieces from the decorative style showing sinuous images of gracefully posed women, and flowing hair interlaced with curls of flowers and vines. His style soon became synonymous with Art Deco." Continuing/To Dec. 12: "Bill Brandt: Photographs 1928-33."
- GERMANY**  
Berlin  
Martin-Gropius Bau (tel: 254.890). To Dec. 12: "Japan and Europa: 1543-1929." More than 500 Japanese objects of artistic and scientific significance brought together from Japanese and German national collections.  
Cologne  
Josef-Haubrich-Kunsthalle (tel: 2.212.3351). To Jan. 2: "From Malevich to Kabbakov: The Russian Avant-Garde in the 20th Century." Features 600 paintings, collages, drawings, gouaches and photographs from the pre-Revolution era to the post-Stalinist reaction, and explores the impact of the Russian artists on their Western European counterparts.
- ISRAEL**  
Jerusalem  
The Israel Museum (tel: 708.811). To Nov. 15: "Picasso the Draughtsman." Over 100 drawings in a variety of techniques from the collection of Marina Picasso, the painter's granddaughter. To Jan. 4: "Marc Chagall: Dreams and Drama." A collection of Chagall's early works done in Russia between 1908 and 1920, including the murals made for the Russian theater in Moscow along with sketches of sets and costumes.
- JAPAN**  
Tokyo  
Hara Museum (tel: 279.24.8595). To Dec. 19: "Contemporary Art from Portugal: Western Lines." Paintings, drawings, sculptures and photographs by eight contemporary Portuguese artists, such as Pedro Cabrita Reis, Julio Sarmiento and Paula Rego.
- SINGAPORE**  
Festival of Asian Performing Arts (tel: 371.7863/371.7824). To Nov. 24. Twenty-five groups from Asia perform dance, music and theater productions. Included are two interpretations of Shakespeare by the Izumi School of Kyogen and the Shanghai Kun Opera Troupe.
- UNITED STATES**  
New York  
Guggenheim Museum (tel: 212.350.3555). Continuing/To Jan. 16: "Roy Lichtenstein Retrospective."  
Japan Society Gallery (tel: 212.715.1223). To Nov. 14: "Kunisada's World." 160 works of art, including theatrical, beauty and warrior prints, and scenes from the "Tale of Genji," paintings and drawings by Utagawa Kunisada (1786-1865). His work includes luxury print editions and fine paintings executed for a rarefied circle and purely commercial works for the masses.  
Museum for African Art (tel: 212.966.1313). To Jan. 7: "Face of the Gods." African art from four distinct traditions: Yoruba, Fon, Egham and Kongo. The exhibition focuses on African civilizations, culture and ritual in art-making and its impact in the New World.

## DO'S AND DON'TS

- One-Parent Family Trips**  
Do seek advice. The British charity Holiday Care Service, for example, has a guide to one-parent-family vacations in the United Kingdom and abroad, complete with hotels and tour operators (Tel: 0293-774535).
- Be Flexible**  
Do be flexible. Nouvelles Frontières, for example, doesn't want children under 12 on treks to Nepal or tours around Vietnam, although they are more than welcome for a sojourn in Greece or Morocco, a spokeswoman said.
- Baggage Limits**  
Don't assume that paying 10 percent for your infant entitles you to check 10 percent more baggage.

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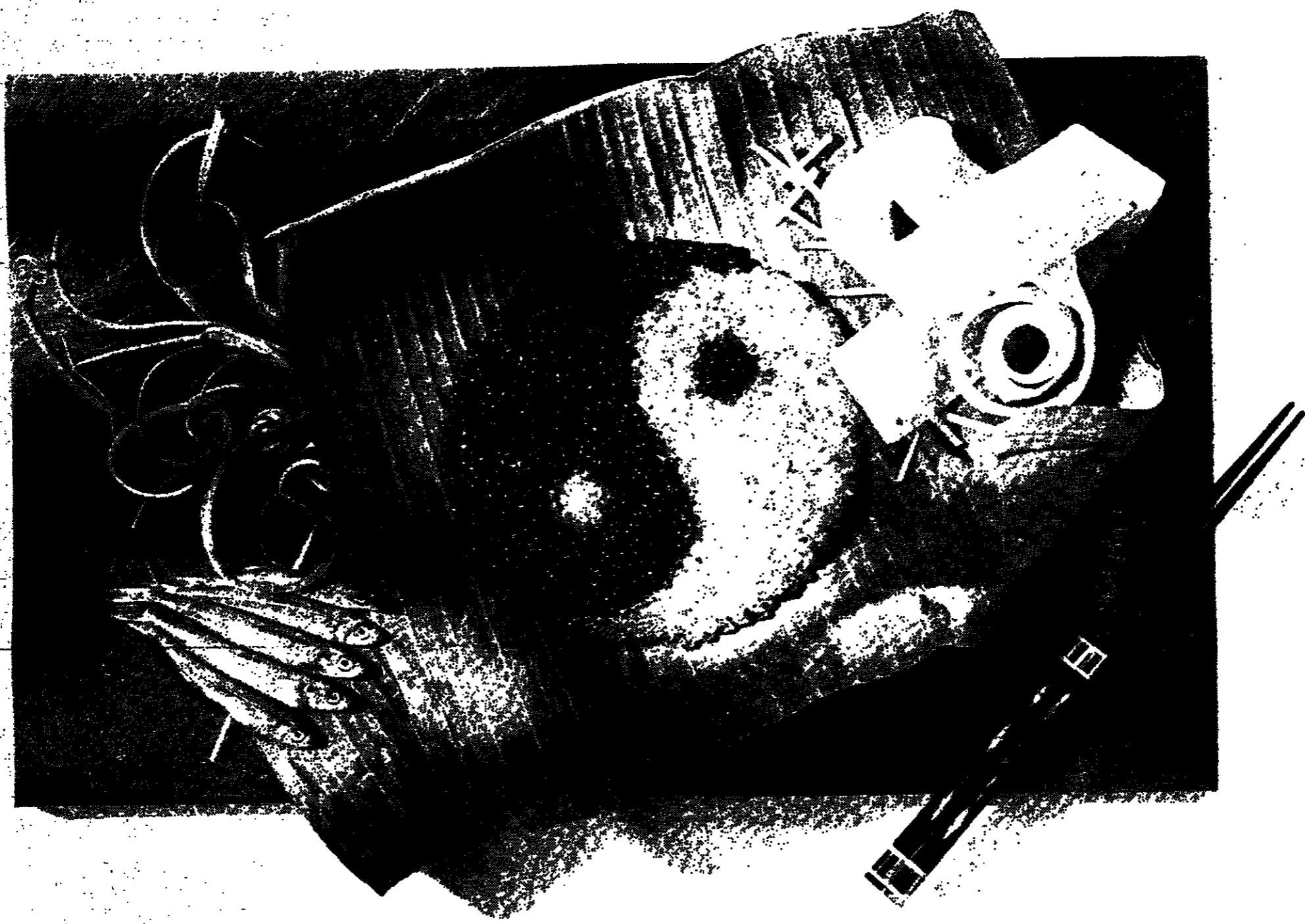
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# Doing Business with Confucius.



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years ago - a school of thought which laid the groundwork for an unusually favorable economic environment.

The foundation for success has been built on an uncompromising recognition of competence, the importance of getting a good education, and especially the individual's profound feeling of being at one with both society and his employer.

It goes without saying that such strengths, which have evolved over generations, also involve duties. For in order to sustain the climate of harmony, each individual is expected to comply with various, and at times subtle, rules of behavior.

To take an example: those much-beloved and protracted business dinners are not designed primarily as a medium for business negotiations.

But by fostering a state of harmony and creating the correct atmosphere, they do help one successfully conduct business.

If in the course of negotiations you are confronted with a situation where you could in some way cause your counterpart to "lose

face," you should refrain from persisting even if you are clearly in the right. You can expect this demonstration of good will to be met with grateful recognition, even if none of those present openly show it.

By behaving in this way, you will have by no means lost influence. On the contrary, you will have shown that you have taken to heart the most important rule of conduct: in a dignified manner, always permit your counterpart to save face. And by doing so, you will also further your own interests.

Business in Asia requires patience and time. But once accepted, you'll always be accepted.

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And yet, every day even we still learn something new.

That is how it should be. For, in the words of a Chinese proverb, continually striving to secure longterm success is more important than "quickly plucking a feather from a passing goose."

**Striving for harmony as a formula for competitive success.**



# NYSE

Thursday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

17 Month High Low Stock Day Year High Low

Symbol	Price	Change	Volume	High	Low
IBM	112.00	+0.25	12,500	112.00	111.50
MSFT	55.00	+0.50	15,000	55.00	54.50
GE	38.00	+0.10	8,000	38.00	37.50
W	42.00	+0.20	10,000	42.00	41.50
DIS	28.00	+0.15	9,000	28.00	27.50
BA	45.00	+0.30	7,000	45.00	44.50
AT&T	35.00	+0.10	11,000	35.00	34.50
INTL	18.00	+0.05	6,000	18.00	17.50
AMZN	15.00	+0.10	5,000	15.00	14.50
GOOG	22.00	+0.20	4,000	22.00	21.50
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CDW	12.00	+0.05	1,500	12.00	11.50
WDC	10.00	+0.05	1,000	10.00	9.50
PERQ	8.00	+0.05	800	8.00	7.50
PLTR	7.00	+0.05	700	7.00	6.50
BT	6.00	+0.05	600	6.00	5.50
MTS	5.00	+0.05	500	5.00	4.50
WCC	4.00	+0.05	400	4.00	3.50
WY	3.00	+0.05	300	3.00	2.50
WV	2.00	+0.05	200	2.00	1.50
WZ	1.00	+0.05	100	1.00	0.50

IBM shares rose 1/4 cent to \$112.00, while Microsoft climbed 1/2 cent to \$55.00. General Electric added 10 cents to \$38.00, and Walt Disney rose 15 cents to \$28.00. Boeing advanced 30 cents to \$45.00, and AT&T climbed 10 cents to \$35.00. International Business Machines Corp. shares were up 10 cents to \$18.00. Amazon.com rose 10 cents to \$15.00, and Google climbed 20 cents to \$22.00. Microsoft's stock price was up 15 cents to \$30.00. Hewlett-Packard added 10 cents to \$25.00, and Oracle climbed 10 cents to \$20.00. Sun Microsystems rose 10 cents to \$18.00, and Compaq climbed 20 cents to \$30.00. Intel was up 15 cents to \$25.00, and Qualcomm advanced 10 cents to \$20.00. Texas Instruments rose 10 cents to \$15.00, and CDW climbed 5 cents to \$12.00. Western Digital was up 5 cents to \$10.00, and Perot Systems advanced 5 cents to \$8.00. Planet Alltel rose 5 cents to \$7.00, and WorldCom climbed 5 cents to \$6.00. WorldCom's stock price was up 5 cents to \$5.00, and WorldCom's stock price was up 5 cents to \$4.00. WorldCom's stock price was up 5 cents to \$3.00, and WorldCom's stock price was up 5 cents to \$2.00. WorldCom's stock price was up 5 cents to \$1.00.

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JAPAN'S BEST TO THE WORLD

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## THE TRIB INDEX: 110.03

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev. Close	% Change
Asia/Pacific	25%	120.46	120.89	-0.35
Europe	40%	108.08	110.17	-1.92
N. America	35%	94.28	95.34	-1.11

Industrial Sectors	This Close	Prev. Close	% Change
Energy	109.33	109.22	+0.01
Utilities	114.94	118.96	-3.02
Finance	120.19	121.30	-0.92
Services	118.56	120.57	-1.67

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92821 Neuilly Cedex, France.

© International Herald Tribune

### Bond Markets Take Time Out Upturn in Interest Rates Also Chills Stock Prices

**By Lawrence Malkin**  
*International Herald Tribune*

**NEW YORK** — Bond markets paused Thursday — not just for breath, but for serious reflection.

Investors and traders now seem to have concluded that the slide in U.S. interest rates has hit bottom. What they do next will have major implications for the stock market and for President Bill Clinton's economic recovery program.

The yield on the Treasury's 30-year bond jumped to 6.18 percent Thursday from 6.11 percent the previous day — a slow growth in the levels of 7.5 percent that greeted the president at his inauguration in January, but sharply up from the historic low of 5.78 percent reached Oct. 16.

Those falling rates helped spur interest-rate-sensitive sectors of the economy such as housing and autos and produced a spurt of real growth — accompanied by fears that the Federal Reserve Board would tighten credit to combat inflation. Higher rates augur for a corresponding slowdown, and economists in Mr. Clinton's administration admit that low long-term rates are the only economic stimulus they have in the current deficit-cutting climate.

Analysts doubt that the Fed will move until it can determine whether the new taxes in the administration's deficit-cutting program slow the economy when they kick in next January. Nevertheless, fears of higher inflation, higher rates and slower growth cut through financial markets Thursday like a chilly November wind.

Blue-chip stocks extended Wednesday's 35-point drop in the Dow Jones industrial average, with the industrials down nearly 37 points at the close.

"We are in a period of transformation of assumptions about markets," Robert Walberg of MMS International said. "For months, traders have been operating on the belief that interest rates would fall. Now they wonder whether that operating assumption is any good any more."

He said he expected stock prices to complete a 20 percent correction by early 1994. He based his forecast on two bearish fundamental factors: the retreat in utility stock prices since the end of August and the low yield — currently 2.8 percent — on stocks in the Standard & Poor's 500 Index.

Many other analysts said it now seemed that money had moved to the sidelines at least for the present and perhaps until the new year. "For the bond markets," Robert Fletcher of Aubrey Lanston & Co. said, "the burden of proof on whether to buy will rest in the statistics."

Bond traders, he said, will be looking at Friday's U.S. employment report for October to see how many jobs were created, especially in

### Akzo Weighs Purchase of Nobel

**By Erik Ipsen**  
*International Herald Tribune*

**LONDON** — In a surprise announcement, Akzo NV, the Dutch chemical and pharmaceutical company, announced Thursday that it might purchase Nobel Industrier AB, the debt-ridden Swedish specialty chemical concern.

Analysts expressed surprise that Akzo, which has been aggressively trimming its operations in recent years, should be interested in what many said amounted to a major acquisition.

Doubtfully puzzling was Akzo's choice of candidates. "This is a company that comes with lead weights tied firmly around its ankles," said Marjulin Glenn, an analyst with Lehman Brothers in London.

Nobel had a 1992 revenue of 21.5 billion kronor (\$2.65 billion), but has debts of 12 billion kronor. Akzo had a 1992 revenue of 16.8 billion guilders (\$8.8 billion).

Akzo's share price was up 5.3 guilders Thursday in Amsterdam on the news of the prospective transaction, closing at 199.5 guilders.

An Akzo spokesman said further details about the possible deal would be released Monday at simultaneous press conferences in Amsterdam and Stockholm.

Nobel Industrier was formed in 1984 through the merger of Bofors and Kema Nobel. The history of Bofors, an arms manufacturer, dates back to the 16th century, while Kema Nobel was the parent company of Nitro Nobel, the dynamic producing company started in 1875 by Alfred Nobel.

Observers agreed that while the purchase of Nobel would be a surprise, it would offer Akzo some potentially lucrative opportunities. If the two merged all their operations, a company would be born with combined annual sales of more than \$7 billion and more than 82,500 employees.

"If you go through Akzo's and Nobel's businesses you see a lot of overlaps in both products and markets," said Shaw Bridges, an analyst with Merrill Lynch.

Eliminating those overlaps, in everything from production to marketing, could enhance the prof-

### Is IBM's New Track the 'Right' One?

**By Steve Lohr**  
*New York Times Service*

**NEW YORK** — After seven months on the job, Louis V. Gerstner Jr., the chairman of IBM, issued an assessment along with the company's financial results for the third quarter.

"I am confident IBM is on the right track," he said.

Many investors apparently share that confidence, bidding up the price of International Business Machines Corp.'s shares by 7.8 percent since the company reported a smaller-than-expected loss last week.

On Thursday, the stock fell \$1.125 to \$49.625 in late trading. On Tuesday, the stock jumped \$3.37 after a longtime critic of IBM, Thomas H. Rooney, an analyst at Donaldson Lufkin & Jenrette, upgraded his rating to "very attractive" from his previous "neutral" designation.

But investor confidence does not change many experts' view that the "track" Mr. Gerstner has chosen for IBM may be the riskiest of gambles, no less risky despite the seeming to be nothing radical about it. For he is attempting to revive the troubled computer company not through radical changes but mainly by running it better — with smarter management and more cost cutting.

It may seem a conservative approach. But given the company's straits, there is no course of caution any more at IBM.

"There's a real risk that the bottom falls out at IBM over the next year or two," said Steven M. Milunovich of Morgan Stanley & Co.

Mr. Milunovich is not predicting catastrophe for IBM. But he does say that the dangers IBM faces outweigh the chances of a robust recovery anytime soon.

The "real risk" he mentions is that the company's revenues could slide as it proves unable to replace its eroding mainframe and minicomputer business with new sources of growth.

In short, anyone who thinks that because the company's stock-price is still about half the \$100-a-share level it reached in the summer of 1992, IBM now has only "upside potential" in Wall Street parlance, should think again.

The Gerstner game plan is a wholehearted embrace of the most fashionable trend in American management, known as "re-engineering," a business concept with its own best-seller, "Re-engineering the Corporation," by Michael Hammer and James Champy. It means looking at a company's business processes — in marketing, manufacturing, product development and so on — and overhauling them top-

### Thinking Ahead EC Can't Hide Its German Giant

**By Reginald Dale**  
*International Herald Tribune*

**WASHINGTON** — "A European Germany, not a German Europe." That mantra, endlessly chanted by German leaders to calm fears over their country's unification, is beginning to wear thin.

In Germany itself, even Chancellor Helmut Kohl's political allies are beginning to criticize his ambitious plans for a federal Europe.

And Germany's European Community partners are now openly bowing to the inevitability of German dominance.

By weekly acquiescing in German demands that the Community's fledgling central bank be based in Frankfurt, it is ironically the EC itself that has reversed the German slogan: Rather than insist on a European Germany, the EC has shown itself unwilling or unable to resist a German Europe.

In every aspect of European economic and monetary policy, Germany — or more precisely the Bundesbank — is getting its way.

Europe has grown used to watching the Bundesbank shrug off appeals for cuts in interest rates to alleviate continent-wide recession and unemployment.

But the Bundesbank has recently come into its own since last summer's collapse of the European exchange-rate mechanism — which of course it largely precipitated itself.

The Bundesbank now has the best of all possible worlds. It is once again free to run German monetary policy as it wants without other countries, especially France, trying to interfere.

And with wide fluctuations of exchange rates now permitted in the ERM, the Bundesbank's influence over the European economy has not.

Which suggests that on at least one fundamental point, the French has been right all along. If the other countries want a say in the running of Europe's economic and monetary policies, they must build institutions in which their voices carry equal weight to that of the Bundesbank.

The place to begin is the European Monetary Institute, which starts work in January. Unfortunately, by agreeing to put the EMI in the Bundesbank's backyard in Frankfurt, the others have made their task much harder.

semified, semiflexible exchange rate system in the EC — flexible enough to allow German monetary policy to be reasonably free from external constraint, but fixed enough to prevent important trading partners engaging in competitive devaluations, which would be detrimental to German industry.

That is a virtually perfect description of what the Bundesbank has now helped to bring about.

Even France now concedes that the German vision of economic and monetary union has triumphed over its own. The currency crises of the past year have blown apart the Maastricht Treaty's uneasy compromise, in which German demands for economic convergence were given the same priority as France's traditional insistence on moves to monetary union.

Now everybody, including France, accepts the Bundesbank's view that economic convergence must precede new moves to link exchange rates. And despite the ravages of recession and unemployment, most governments also accept that convergence means Bundesbank-style policies of low inflation and monetary discipline.

It is clear that Germany will decide when convergence has gone far enough for monetary union to resume. There is no doubt that monetary union will take place on German terms or not at all.

The irony is that opponents of monetary union, particularly in Britain, have long argued against it on the grounds that it would be German-dominated. But the derauling of the monetary-union plans has done nothing to reduce German dominance.

The truth is that since the currency upheavals, the influence of the other EC countries over the Bundesbank has declined, but the Bundesbank's influence over the European economy has not.

It is clear that Germany will decide when convergence has gone far enough for monetary union to resume. There is no doubt that monetary union will take place on German terms or not at all.

### Boeing Moves to Gain Military Orders

**Compiled by Our Staff From Dispatches**

**Delta Air Lines said Thursday it had reached understandings with Boeing Co. and McDonnell Douglas Corp. to delay delivery of 32 jets valued at about \$1 billion. The move seemed likely to intensify competition between the two U.S. aerospace companies for military and defense orders.**

Delta, based in Atlanta, said the planes had been scheduled for delivery in its 1995 and 1996 financial years, which end in June. The airline, which said it had not yet reached definitive agreements with Boeing and McDonnell on the postponement, said the move would save it about \$1 billion in capital spending through 1996.

The cutback by the airline is in addition to its previously announced plan to cut spending on aircraft by \$5.4 billion in 1993-96.

In a potential response to this weakness in commercial-airline orders, Boeing Defense & Space Group announced Thursday in Seattle that it had been working on a low-cost multiple-role aircraft that could be used by all the U.S. military services.

The aircraft would be "what we think is the fighter of the future," Peri Widener, spokeswoman for the Defense & Space Group, said. "It would be very small, very lightweight and very low cost."

The announcement of the plane, which eventually could represent new competition for Lockheed Corp.'s F-16 as well as McDonnell Douglas's AV-8B and F-18 planes after 2015, was an unexpected development, according to some in the aerospace industry.

"I'm surprised to see this from Boeing," said Bill Dane, senior aerospace analyst at Forecast International, a Connecticut research firm. "It has been decades since they actually made a fighter."

Boeing said it had been working on the fighter concept for about two years with help from the Pentagon's Advanced Research Projects Agency. The cost and size of the plane, as well as its name, have not been disclosed yet, and Boeing did not say where it would be built.

"They're breaking new ground," Bert Cooper, aircraft analyst for the Congressional Research Service, said. "Although anything is possible in the concept stage, technologically it may not make sense."

A plane for all services may not make sense to the military, either. The services haven't been able to cooperate on a joint plane in the past, and their different needs and attitudes may not have changed.

"Multiservice airplanes traditionally don't do well at all," Mr. Dane said.

But Ms. Widener of the Boeing defense unit insisted: "It's a practical idea, and it's a good idea. It's based on recent technology advancements and some real strides in production techniques."

Its entry into the field may also have surprised McDonnell Douglas and Lockheed, who were expected to have to jockey with each other for most future military-plane production work.

Boeing had earnings of \$940 million, or \$2.77 a share, in the nine months ended Sept. 30, down from \$1.2 billion, or \$3.52 a share, in the 1992 period. Revenue from its defense and space unit fell to \$3.3 billion from \$4.1 billion.

Separately, the president of Boeing's commercial airplane group, Dean Thornton, said in Seattle that Boeing might be able to launch its next-generation 737-X jetliner by the end of the year. (Bloomberg, Reuters, Knight-Ridder)

### Europe Firms Study Building Military Plane

**Compiled by Our Staff From Dispatches**

**PARIS** — Eight European countries are to start studying the feasibility of building a large military transport aircraft, according to a statement on Thursday by Euroflag, which groups five of Europe's aerospace companies.

The European Future Large Aircraft Group, or Euroflag, which was formed to look into developing large aircraft, said the eight governments signed an accord on Oct. 27 for the companies to study the feasibility of such a project. It will start studies in early 1994.

Euroflag comprises Aerospace of France, British Aerospace PLC, Deutsche Aerospace AG, CASA of Spain and Alenia SpA of Italy. The three associated partners are the aerospace concerns of Belgium, Portugal and Turkey. (Bloomberg, Reuters)

### Cox in Cable-Deal Talks With Southwestern Bell

**Bloomberg Business News**

**ATLANTA** — Cox Enterprises Inc. and Southwestern Bell Corp. are negotiating to form a multi-billion-dollar cable television alliance, Cox officials said Thursday.

The privately held media conglomerate, which operates the sixth-largest U.S. cable system, also said it was holding joint-venture talks with each of the six other regional Bell operating companies, plus GTE Corp., AT&T and MCI Communications Corp.

"Admittedly, we continue to talk with a variety of companies about joint ventures, including Southwestern Bell, all the other Baby Bells, GTE and several long distance operators," said a Cox spokesman, David Andersen. "But, there is no current agreement."

But according to investment bankers close to the talks, Cox and Southwestern Bell are near an agreement to pool their cable holdings and spin off the combined business in a publicly held concern.

Southwestern Bell would invest more than \$1 billion in the company, which would be the fifth-largest U.S. cable operator, with more than 2 million subscribers, assuming pending acquisitions are completed.

A Cox-Southwestern Bell alliance would be the latest in a recent string of joint ventures combining telephone and cable businesses.

Last month, Bell Atlantic Corp. agreed to a \$2.14 billion merger with Tele-Communications Inc., the biggest U.S. cable operator.

Creating a new company would enable Cox to keep the bulk of its holdings private. Cox has revenue of more than \$3 billion and is one of the largest private U.S. businesses.

News of the deal was first reported Thursday in the Atlanta Journal-Constitution, Cox's flagship newspaper. Mr. Andersen called that report "erroneous because no agreement has been reached."

"It's no surprise that Cox is in talks with all the Baby Bells and AT&T and MCI, and so on, because its cable properties are so attractive," said Stuart Rossmiller, an analyst at Fitch Investors Service. "I'd have to believe that Southwestern Bell is the leading candidate because the two companies have close ties."

In March, Cox and Southwestern Bell agreed to jointly operate a \$300 million cable television and telephone business in Britain.

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## CURRENCY & INTEREST RATES

Cross Rates	Nov. 4									
	D.M.	F.F.	£ Sfr	D.F.	S.F.	Yen	CS	Peru	Yen	CS
American dollar	1.985	1.655	1.935	1.615	1.555	1.234	1.955	1.656	1.950	1.650
British pound	1.660	1.415	1.655	1.330	1.275	1.232	1.665	1.422	1.615	1.410
French franc	1.660	1.415	1.655	1.330	1.275	1.232	1.665	1.422	1.615	1.410
Swiss franc	1.660	1.415	1.655	1.330	1.275	1.232	1.665	1.422	1.615	1.410
Japanese yen	118.30	101.40	118.30	101.40	118.30	101.40	118.30	101.40	118.30	101.40

Eurocurrency Deposits		Nov. 4	
Rate	Unit	Rate	Unit
1-month	Dollar	3 1/4 - 3/8	3 3/8 - 1/2
3-month	Dollar	3 3/4 - 1/2	4 1/4 - 1/2
6-month	Dollar	4 1/4 - 1/2	5 1/4 - 1/2
1-year	Dollar	5 1/4 - 1/2	6 1/4 - 1/2

Key Money Rates		Nov. 4	
Rate	Unit	Rate	Unit
Discount rate	2.5%	2.5%	2.5%
Prime rate	6.0%	6.0%	6.0%
Federal funds	5.75%	5.75%	5.75%
3-month T-bill	5.5%	5.5%	5.5%
6-month T-bill	5.75%	5.75%	5.75%
1-year T-bill	6.0%	6.0%	6.0%

United States		Nov. 4	
Rate	Unit	Rate	Unit
Discount rate	2.5%	2.5%	2.5%
Prime rate	6.0%	6.0%	6.0%
Federal funds	5.75%	5.75%	5.75%
3-month T-bill	5.5%	5.5%	5.5%
6-month T-bill	5.75%	5.75%	5.75%
1-year T-bill	6.0%	6.0%	6.0%

MARKET DIARY

Dollar Bulls Await U.S. Payroll Data

NEW YORK (Reuters) — The dollar maintained a firm tone on Thursday as investors moved into the currency ahead of key U.S. non-farm payroll data out on Friday...

It grew 2.8 percent in the third quarter. Some dealers said that strong employment data could propel the dollar toward the barrier of 1.72 DM next week. But other traders feared that expectations of bullish data were too widespread in the market...

Traders said that the decision by the Bundesbank to leave rates unchanged had been widely expected, but that the yen had been sold off due to concerns about sharp falls on the Tokyo stock exchange.

BONDS: Are Low Rates Gone?

Continued from Page 13 manufacturing, and at consumer price inflation figures next week and finally at growth in the new year.

ate growth and receding price pressures as "the best of all possible worlds for financial markets" and said this implied higher corporate profits...

relationship at best between bond and stock prices; but this time, market analysts say, things are both different and decidedly bearish. "The whole source of demand in stocks this year has come from money flowing into the market...

technology will bring new opportunities and new jobs. Some executives warn that European companies, in the rush toward downsizing, streamlining and reorganizing, have been diverted from thinking about new products and services that could provide new employment opportunities.

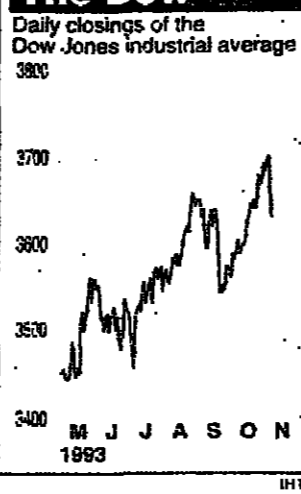
These restructuring activities, they say, may be heading their companies and Europe in a downward spiral of fewer jobs and shrinking business. "We're slipping in Europe into a denominator mentality," said John Golding...

By executives about the effects on society wrought by their business decisions is striking, say business experts. "A few years ago, an executive would argue that it was his duty to make his company lean and mean...

Such a breakdown, Mr. Doz said, could include strikes, violent protests and a sharp rise in criminality and drug abuse. Mr. Doz said the fear was particularly pronounced in France.

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The Dow Daily closings of the Dow Jones industrial average



Dow Jones Averages

Table with 5 columns: Open, High, Low, Close, Change. Rows include Industrials, Financials, Utilities, SP 500, and NYSE Composite.

Table with 5 columns: Vol, High, Low, Last, Chg. Rows include various NYSE stocks like Intel, Microsoft, and Apple.

Table with 5 columns: Vol, High, Low, Last, Chg. Rows include various NASDAQ stocks like Amazon and Netscape.

Table with 5 columns: Vol, High, Low, Last, Chg. Rows include various AMEX stocks like Amgen and Genzyme.

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EUROPEAN FUTURES

Table with 5 columns: Class, High, Low, Prev. Close, Change. Rows include various food and metal futures.

Table with 5 columns: Class, High, Low, Prev. Close, Change. Rows include various financial and commodity futures.

Table with 5 columns: Class, High, Low, Prev. Close, Change. Rows include various S&P 100 index options.

Table with 5 columns: Class, High, Low, Prev. Close, Change. Rows include various U.S. futures contracts.

U.S. AT THE CLOSE

WASHINGTON (Reuters) — Orders received by American factories rose for a second straight month in September, and shipments of finished products hit record levels, the Commerce Department said Thursday...

Nynex to Sell Part of AGS Computers WHITE PLAINS, New York (Bloomberg) — Nynex Corp., a regional Bell operating company, said Thursday it would sell its information services business, AGS Computers Inc., to Keane Inc...

U.S. Sets Up Russia Enterprise Fund MOSCOW (UPI) — U.S. officials announced Thursday the establishment of a \$340 million fund that will invest in small and medium-sized businesses in Russia to help support the transition here to capitalism...

WPP to Sell Scali, Mercedes's Agency NEW YORK (Combined Dispatches) — WPP PLC said Thursday that it was selling the New York advertising agency Scali, McCabe, Sloves Inc., whose price account is Mercedes-Benz of North America, in a long-delayed, closely watched deal...

For the Record Campbell Soup Co. will form a joint venture with Nakanjo Vinegar Co. Ltd. to market Campbell soups in Japan. (Reuters) Mobil Corp., citing poor immediate prospects for commercialization of solar power, said it plans to shut its solar-research program and demonstration facility in Billerica, Massachusetts. (UPI)

Kemper Corp.'s third-quarter profit from continuing operations surged 51 percent, to \$32.8 million from \$21.7 million a year earlier. (Bloomberg)

Table with 5 columns: Stock, High, Low, Close, Change. Rows include various U.S. stock indices and individual stocks.

Table with 5 columns: Stock, High, Low, Close, Change. Rows include various international stock indices and individual stocks.

Table with 5 columns: Stock, High, Low, Close, Change. Rows include various commodity and futures prices.

WORLD STOCK MARKETS

Table with 5 columns: Stock, High, Low, Close, Change. Rows include various international stock indices and individual stocks from cities like Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and Hong Kong.

EUROPE: Second Thoughts About Job Cuts as Labor Unrest Spreads

Continued from Page 1 technology will bring new opportunities and new jobs. Some executives warn that European companies, in the rush toward downsizing, streamlining and reorganizing, have been diverted from thinking about new products and services that could provide new employment opportunities.

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U.S. FUTURES

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# BP Net Doubled in 3d Quarter Margins Improve in Marketing and Refining

Compiled by Our Staff From Dispatches  
LONDON — British Petroleum Co. said Thursday that its net profit based on replacement cost for the third quarter nearly doubled to £332 million (\$491 million) from £172 million in the same period last year due to higher margins in marketing and refining, the stronger dollar, cost-cutting and changes in British taxation laws.

Analysts had widely expected a figure of roughly £250 million and the better-than-expected results caused the company's share to surge 11 pence on the London exchange to 337 pence.

"There is fundamental improvement in our operations and this is important to us," said David Simon, the company's chief executive. "The last quarter's results need to be sustained, but even after taking out the currency and tax gains, we are on track to reach the financial targets we set."

Last year the company slashed its dividend and lost Robert Horton, its chairman and chief executive, as financial difficulties mounted and the share price collapsed.

In an industry where the value of inventory changes rapidly, replacement cost profit values the company's inventory at the amount of

money it would have taken to replace them on the last day of the quarter. On the basis of historic cost, which values inventories at what they cost to buy, the company reported that net income rose 75 percent to £205 million for the third quarter.

The company also said it would pay an interim dividend of 2.1 pence per share, unchanged from a year earlier.

For the first nine months, the company's replacement cost profit

totalled £842 million, compared with a loss of £545 million last year. Results on a basis of historic cost swung to a profit of £712 million from a loss of £594 million.

The company said it had been able to reduce its debt during the reporting period by \$1 billion to \$13.1 billion as a result of improved cash flow and proceeds from sales of subsidiaries.

Oil production in the quarter averaged 1,223 million barrels per day, down from 1,313 million barrels last year, while gas production jumped to 894 million cubic feet per day from 582 million.

The refining and marketing division, which improved profits by 215 percent to £590 million, will continue to benefit from a cut in costs, though the outlook for profit margins remained "depressed" in the United States, the company said.

The chemicals division posted an operating loss in the quarter of £16 million due to a weaker market in Europe for ethylene and certain derivatives.

Mr. Simon noted that U.S. investors have invested heavily in British Petroleum and have increased their stake from about 6 percent to 27 percent over the past 15 months.

(AFX, Reuters, Bloomberg)

## Austria Air and Landa Discuss Cooperation

FRANKFURT — Austrian Airlines and Landa Air AG said Thursday that they are negotiating to form a cooperation alliance, but declined to be more specific.

Responding to reports in the Austrian press that Landa offered Austrian Air the chance to buy a 30 percent stake to 40 percent stake in the airline, an Austrian Airlines official said the carrier is "fundamentally interested in talking with Landa."

He declined to comment further. Landa flies mainly to cities in Asia.

## KLM Shows 20% Rise In Quarter

AMSTERDAM — KLM Royal Dutch Airlines' net profit for the second quarter increased 20 percent to 204 million guilders (\$107 million) from 170 million a year earlier, pleasing investors as KLM stock rose Thursday on the Dutch exchange.

The airline said it expected profit margins to improve in the second half, but warned that full-year results might be at best "marginally positive" because of concessions made on pension premiums.

For the first six months of the year ending March 1994, net profit rose to 245 million guilders from 208 million guilders.

KLM shares on the Dutch exchange traded at 43.45 guilders, up 2 guilders.

The airline said it expected operating margins to improve in the second half. But it said it still expected a net loss for the second half because of the "seasonal character" of the airline industry.

(AFX, Reuters, Bloomberg)

# Philips Remains Wary Despite Return to Profit

EINDHOVEN, the Netherlands — Philips Electronics NV, Europe's largest electronics group, reported on Thursday a return to profit in the third quarter but warned that its markets remained weak and declined to forecast earnings for the full year.

Sharp cuts in its interest bill and a lower tax burden helped Philips make a 133 million guilder (\$70 million) quarterly net profit after a 139 million guilder loss last year.

"The largest benefit comes from a lower cost of money and a lower tax burden," he added, commenting on a jump in net income from normal operations in the first nine months to 353 million guilders from 102 million guilders.

But Philips suffered sustained pressure in its main lighting and consumer electronics sectors, particularly in Europe.

"I am rather glad that the spread of our operations is worldwide," Mr. Eustace said. "If we were totally dependent on Europe it would be a disaster."

He expected European economies to continue their poor performance at least until the second half of 1994, curbing demand for consumer electronics products.

He said Philips would use a windfall profit from a share issue by its music subsidiary PolyGram NV for further provisions of 400 million guilders to cover any losses on future investments.

Analysis had expected third-quarter profits of around 100 million guilders and Philips shares rose 1 guilder to 41.40 after the results were released Thursday.

Operating profit rose for the first time since the first quarter of 1992 to 560 million guilders from 345 million in the third quarter last year.

(Reuters, Bloomberg, AFX)

## Investor's Europe

Exchange	Index	Thursday Close	Prev. Close	% Change
Frankfurt DAX		138.50	140.00	-0.36
London FTSE 100 Index		7,084.26	7,081.98	-0.11
Paris CAC 40		2,062.51	2,084.36	-1.04
Frankfurt FAZ		795.88	803.70	-0.97
Helsinki HEX		1,596.70	1,607.73	-1.06
London Financial Times 30		2,375.90	2,363.80	-0.52
London FTSE 100		3,148.00	3,162.30	-0.42
Madrid General Index		306.88	307.47	-0.19
Milan MIB		1,252.00	1,276.00	-1.88
Paris CAC 40		2,135.97	2,171.16	-1.52
Stockholm Afaersvariden		1,716.59	1,728.19	-0.67
Vienna Stock Index		457.48	462.08	-1.00
Zurich SBS		926.87	937.60	-1.17

Sources: Reuters, AFP

### Very briefly:

- Britain adopted a bill allowing passenger rail services to be offered under franchise to private operators next year. The country also strengthened its position as the only big spot in the European auto industry, reporting that car sales rose 15.5 percent in October.
  - France's recession started in the autumn of 1992 and was deeper but shorter than previously thought, the statistics office INSEE said. It said gross domestic product fell sharply early this year but is expected to increase slightly for the second half of 1993.
  - Argentaria Corp. Bancaria de España will expand its second privatization sale to 25 percent of the Spanish banking concern from the 19.2 percent originally planned.
  - Swiss Reinsurance Co. said it expected a continued improvement in earnings in the reinsurance sector in 1993 and 1994. An official said earnings improvements had begun this year, particularly in the catastrophe and industrial reinsurance sectors.
  - Thyssen Stahl AG plans to cut 5,000 jobs by the end of the century on top of the 10,000 it is shedding by the end of 1994, Chief Executive Ekkehard Schulz said. That would reduce the work force to 30,000 by the year 2000, Mr. Schulz said.
- (Reuters, AFX, Bloomberg, AFP)

## EC to Speed Trade Inquiries

BRUSSELS — The EC Commission wants to set firm deadlines for starting and finishing inquiries into anti-dumping and other trade complaints in an attempt to get quicker action.

A plan prepared by the trade commissioner, Sir Leon Brittan, is partly intended to show critical member states such as France that the Commission is prepared to retaliate quickly when non-EC states dump exports in the Community.

The plan, which has to be approved by EC governments, gives the EC executive one month to initiate anti-subsidy or anti-dumping action after receiving a complaint.

Investigations would be allowed to run for no more than nine months before provisional punitive measures would be imposed or the case dropped. A maximum of 15 months would be allowed for an inquiry to be completed.

## Paris May Set A Date for Renault Sale

PARIS — The French government said Thursday that it might fix a date for the privatization of Renault after Volvo AB shareholders angrily criticized a deal that would merge the two carmakers from 1994.

But Paris was adamant over the other main concern of Volvo shareholders: the so-called golden share that France will retain after Renault-Volvo is privatized.

A spokesman for Trade Minister Gerard Longuet said that the minister had told Swedish television on Wednesday that he would think about specifying a privatization date for Renault before Volvo shareholders' vote on the merger at a meeting planned for Dec. 7.

"The government said it could clarify the period of the privatization," he said.

## British Telecom Wary on Payout

LONDON — British Telecommunications PLC, the most highly valued company on the London stock exchange, said Thursday that its half-year profit rose but warned that it would reexamine its dividend policy because of inflation and competition.

The company's share fell 8 pence Thursday to close at 468 pence.

Pre-tax profit in the six months ended Sept. 30 rose 46 percent to £1.5 billion (\$2.22 billion) from £1.027 billion a year earlier, but the company said that stripping out the impact of redundancy payments and disposal of the underlying interest was only 2.5 percent. The dividend was lifted to 6.65 pence from 6.15 pence.

The company also said that pre-tax profit had risen 72.4 percent from a year earlier in the second quarter, which ended on Sept. 30, to £743 million. The surge occurred largely because the group took a lower charge for its job-shedding program and because revenue from phone service had risen.

"Future dividend policy will need more than ever to take account of continuing low inflation,

## U.K. Water Shares Weaken

LONDON — Shares of British water companies weakened Thursday after British regulators published a report outlining stricter price controls for after 1995.

Jan Byatt, Britain's chief regulator, said that "maintaining the viability of the companies does not require the same expectation of profit as was necessary to float them."

He added that price increases should be allowed only for new quality or environmental standards.

Anglian Water PLC fell 11 pence to 514 pence, North West Water PLC eased 16 pence (22.5 cents) to 525, and Severn Trent PLC slipped 10 pence to 548.

(AFX, Reuters)

## IBM: Is New Track the Right One?

Continued from Page 13

to-bottom for speed, efficiency and customer satisfaction.

A big-company enthusiast, Mr. Gerstner has said he plans to hold the company together, still offering a smorgasbord of computer wares from mainframes to microchips, software to consultant services.

The result, he hopes, will be synergy, growth and profits. He is making an across-the-board bet on IBM's future rather than putting all his chips on a few key products, technologies or markets. In effect, Mr. Gerstner is re-engineering IBM, but not reinventing it.

And Mr. Milunovich, among others, has doubts that cost-cutting and re-engineering will be enough to turn IBM around.

"The company has to stop trying to be all things to all people," he said. "It has to make big bets."

IBM is no stranger to big bets. In 1964, when the company introduced its System 360 series of mainframe computers, Fortune magazine called it a \$5 billion gamble and possibly the "riskiest business judgment of modern times."

The enormous success and profi-

## NASDAQ

Thursday's Prices  
NASDAQ prices as of New York time. This list compiled by AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	52 Wk High	52 Wk Low	Open	Close
12.50	10.00	IBM	3.75	1.8%	11.5	125	100	115	115
12.00	11.00	Microsoft	1.00	1.0%	20	120	100	110	110
11.50	10.50	Apple	0.80	1.0%	25	115	95	105	105
11.00	10.00	Oracle	0.50	1.0%	30	110	90	100	100
10.50	9.50	Novartis	0.80	1.0%	15	105	85	95	95
10.00	9.00	Amgen	0.50	1.0%	15	100	80	90	90
9.50	8.50	Genentech	0.40	1.0%	15	95	75	85	85
9.00	8.00	Boehringer	0.60	1.0%	15	90	70	80	80
8.50	7.50	Merck	0.50	1.0%	15	85	65	75	75
8.00	7.00	Roche	0.40	1.0%	15	80	60	70	70
7.50	6.50	Schering	0.30	1.0%	15	75	55	65	65
7.00	6.00	Bayer	0.20	1.0%	15	70	50	60	60

NYSE Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

NYSE Thursday's Closing Tables. Multiple columns listing stock symbols, company names, and prices. Includes sections for 12 Month High/Low/Stock, Div, Yld PE, and High/Low/Last/Chg.

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Quotations compiled by funds dealers. Not all fund quotations are supplied by the Funds listed with the exception of some funds based on prices from the marginal symbols indicate frequency of quotations supplied: (4) - daily; (w) - weekly; (bi) - bi-monthly; (f) - fortnightly; (t) - tri-weekly; (m) - monthly.

INTERNATIONAL FUNDS. Large table listing various international fund offerings, including fund names, asset classes, and performance metrics. Includes sub-sections like 'Other Funds' and 'Yield Enhancement Strategies'.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

Handwritten note at the bottom of the page: 150 من الاصل



# Rise in Exports Linked to India's New Trade Plan

**NEW DELHI** — A sharp spurt in Indian exports — especially agricultural products — showed that the country's radical economic liberalization plan is working, but a drop in imports indicated that industrial growth still has not been revived, analysts said Thursday. India's exports rose 21 percent in dollar terms in the first six months of the 1993-94 financial year beginning in April. But imports dropped by 3.4 percent, the one figure that worried analysts in statistics issued Tuesday by the government.

## Issue in Europe By India Telecom

**NEW DELHI** — Videsh Sanchar Nigam Ltd., India's state-owned overseas telecommunication company, will launch a \$500 million European share issue in January. It will be the first overseas issue of equities by a state-owned Indian company and the largest by any Indian company. The company will also sell 16 million shares in the domestic market as part of a government program to partially privatize state enterprises. The company sold 12 million shares in two earlier rounds of disinvestment. Details of the issues have not been finalized. After the two issues, the government's holding in the company will drop to 49 percent. The money raised will be used to expand specialized services like electronic data intelligence.

# Japanese Back Bonus Cuts Workers Prefer Lesser-Paid Job to Layoffs

**TOKYO** — As Japan's recession-pinched companies struggle to cope with tumbling profits, workers are seeing their traditionally massive annual bonuses shrunk. Unions happily agreed on Thursday to a first round of cuts since at least their members will remain fully employed.

Japan's leading electronics companies offered annual bonuses on Thursday to all employees equal to about five months' wages, or about 125,000 yen (\$1,157) less than they paid out last year. That marks the third year in which the industry has reduced annual bonuses. Japanese companies traditionally pay up to a third of their employees' salaries in bonuses distributed twice a year, in December and June. The money is an important part of the worker's compensation package and is often pledged well in advance for housing loans and big credit items. While a bonus cut will make life a little harder for the average employee, companies, labor unions and economists are relieved that it is the bonuses that are being cut and not jobs. Analysts say that while bonus cuts will affect personal consumption over the next six months, laying off employees would pose a far more serious problem for Japan over the long term than a bit of lost income. "If Japanese companies started firing staff instead of just cutting their wages, then there would be a crisis," said Tomoko Fujii, an economist at Salomon Brothers (Asia) Ltd.

# Seoul to Let Foreigners Own Part of Brokerage

**SEOUL** — South Korea has given a preliminary nod to the establishment of the nation's second joint-venture brokerage house, combining the resources of nine local industrial enterprises with three foreign partners led by Kleinwort Benson Ltd. of Britain, officials said Thursday.

The move to open another venture signals growing interest in a country that has one of Asia's fastest-growing economies and that has recently begun to open its once heavily regulated market in financial services. The tentatively named Woohak-KB Securities Co. will combine South Korean companies that are mostly based in the southern city of Pusan and that have little previous experience in financial markets with the three foreign companies in a venture that will be capitalized at 50 billion won (\$61.9 million). The venture will be allowed to carry out all brokerage activities, including share trading, underwriting and trading on its own account.

Investor's Asia

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong Hang Seng	10650	2220	2150	+3.3
Singapore Straits Times	9000	2100	2050	+2.4
Tokyo Nikkei 225	7000	1900	1850	+2.7
Hong Kong Hang Seng	9204.96	9252.70	-1.57	
Singapore Straits Times	2,123.85	2,127.49	-0.17	
Sydney All Ordinaries	2,701.50	2,108.40	-0.32	
Tokyo Nikkei 225	18,948.80	18,881.20	-0.35	
Kuala Lumpur Composite	977.06	982.03	-0.51	
Bangkok SET	1,284.93	1,303.38	-1.42	
Seoul Composite Stock	768.55	758.67	+1.28	
Taipei Weighted Price	4,260.58	4,283.34	-0.53	
Manila Composite	2,439.33	2,468.00	-1.14	
Jakarta Stock Index	506.75	494.25	+3.41	
New Zealand NZSE-40	2,196.24	2,188.46	-0.10	
Bombay National Index	1,270.10	1,265.40	+0.37	

## Very briefly:

- Mitsubishi Motors Corp., Japan's third-largest carmaker and a leading truck manufacturer, posted a 6 percent drop in first-half pretax profit and estimated that its earnings for the year would be down 9.8 percent.
- Combined bad loans held by Japan's five major life insurance companies were estimated at 158 billion yen (\$1.45 billion) as of Sept. 30, up 7 billion yen from March, the economic daily Nihon Keizai Shimbun reported.
- Taiwan's exports rose 6.8 percent in October compared with the previous year, fueled by stronger sales to China and Japan, the Finance Ministry said.
- Guangzhou Shipyard International, one of the five state-run Chinese companies listed on the Hong Kong stock exchange, said its net profit for the nine months ended Sept. 30 was 86.6 million yuan (\$15 million).

# Japan Bank Calls In Developer's Loans

**TOKYO** — Hokkaido Takushoku Bank, one of Japan's 11 city banks, withdrew support Thursday from Kabuto Decom, a financially troubled real estate developer, news reports said. Following a board room battle, Hokkaido Takushoku said it will demand that Kabuto Decom pay back its loans, which total more than 20 billion yen (\$185 million), without extensions, according to NHK television, Japan's government-funded network. Hokkaido Takushoku's public relations officers were under orders not to comment on the report, a bank official said. An employee at Kabuto Decom said no one was available to comment.

# Taiwan Cuts Interest Rates

**TAIPEI** — Taiwan's central bank announced Thursday that it was lowering key official interest rates slightly to boost the economy, which has been hit by sluggish global growth and cutbacks in government spending. The rediscount rate was cut to 5.5 percent from 5.625 percent, and the secured loan rate to 5.875 percent from 6.125 percent, with effect from Friday. Both rates are used by the central bank to lend money to commercial banks in the local money market. The deputy central bank governor, Yu Chen, said the cuts were made to keep short-term interest rates at low levels, freeing up more capital for domestic investment.

# Hong Kong Telecom Profit Rises

**HONG KONG** — Hong Kong Telecommunications Ltd. said Thursday its first-half net profit jumped 15 percent, to 3.66 billion Hong Kong dollars (\$473.6 million) from 3.17 billion dollars a year earlier. The company added that it planned capital spending of nearly 4 billion dollars in the current financial year. The profit increase was at the high end of forecasts. Revenue rose 13 percent, to 11.95 billion dollars from 10.54 billion dollars. In the six months ended Sept. 30, Hongkong Telecom said, its number of Homefax customers jumped 32 percent. In addition, the introduction in July of digital mobile phone service, which makes service available in Hong Kong's underground railway system, has stimulated demand for increased mobile-phone market share, it said.

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Company	1992 Revenue	1992 Profit	1992 Per Share	1993 Revenue	1993 Profit	1993 Per Share
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British British Petroleum	1,242	1,248	1,248	1,242	1,248	1,248
Canada Alcan	1,242	1,248	1,248	1,242	1,248	1,248
France Axa	1,242	1,248	1,248	1,242	1,248	1,248
Netherlands Philips Electronics	1,242	1,248	1,248	1,242	1,248	1,248
USA Emerson Electric	1,242	1,248	1,248	1,242	1,248	1,248

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**Herald Tribune**

## U.S. Firm, NEC To Market Chips

**TOKYO** — Japan's NEC Corp. and National Semiconductor Corp. of the United States on Thursday announced that they will jointly develop and market semiconductor chips used for linking personal computers together in networks. Japan's market for the chips is likely to grow rapidly, since less than 10 percent of PCs in Japan are currently in networks, compared with 40 percent in the United States, officials of the two companies said. "We wanted to enter into a partnership with NEC for broader access to the Japanese marketplace," said Richard Bayer, president of National Semiconductor's Computing Group. Initially, NEC will sell the U.S. company's Ethernet controller chips under the NEC brand in Japan, the officials said.

## Herald Tribune

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BID NO : P184-14/28 89.04  
BID SUBMISSION DATE : DECEMBER 1, 1993

Çukurova Elektrik A.Ş. (CEAS) intends to procure below Electrical Materials for the construction and extension works of its substations.

1) 28 EA, 170 KV, SF6 CIRCUIT-BREAKERS (1+3 PHASES RECLOSEING)  
2) 6 EA, 170 KV, SF6 CIRCUIT-BREAKERS (3 PHASES RECLOSEING)

This procurement shall be financed by the company resources and the bidding shall be made according to the company's Bidding Procedures.

This Bidding is open to all Bidders who comply with below Prerequisite for Eligibility:

- Bidders who have been regularly engaged for a continuous period of 10 years, prior to the date of Bid submission, in the design and manufacture of above specified materials, operating at a system voltage of 170 KV or more.

- Bidders who have designed and manufactured at least 5,000 pieces of above specified materials, out of which 1,000 pieces still in operation, since 3 years.

A complete set of Bidding Documents may be obtained upon remittance of a non-refundable document fee of 100 USD or equivalent convertible currency, to below Bank Accounts and upon a written application to below address with evidence of payment:

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ADANKARA BRANCH  
SAR BANKASI-ADANA BRANCH

ADDRESS: ÇUKUROVA ELEKTRİK A.Ş. GENERAL MANAGEMENT SEYHAN BARAJI, P.O. Box 239 01222 ADANA-TURKEY

All Bids must be delivered to the above office on or before 14:30 hours, Local Time on December 1, 1993 and shall be opened at above offices of General Management.

It is essential that the Bidders shall be in conformity with the Prerequisite for Eligibility and the Bids shall be submitted in full conformity with the Bidding Documents. Other Bids shall be rejected.

CEAS reserves the right to accept or to reject any Bid and award the Bidding process and reject all Bids, at any time prior to award Contract, without thereby incurring any liability to the affected Bidder(s) or any obligation to inform the affected Bidder(s) of the grounds for CEAS's action.

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GENERAL MANAGEMENT

## STATE PROPERTY AGENCY HUNGARY

### Privatisation of the Hungarian Network Power Distribution Rt-s

The Hungarian State Property Agency calls for a one-round tender for the partial sale of its ownership percentage in 6 Power Distribution Rt-s: By this transaction the Agency offers a safe and reliable investment facility on long terms for trade and strategic investors in Hungary. Through the privatisation it has the purpose to provide co-owners to the public companies limited by shares (Rt-s) and to create the possibility and the conditions of obtaining recent and up-to-date technological procedures, material capital, know-how at high technology, up-to-date management activity and connection to the West European Electric Power System (UCPTE) through the new owners and shareholders. A block of shares being equivalent to 15% of the companies' share capital will be sold within the framework of the competitive tendering. Bids may be submitted exclusively for the sale of the block of shares having the nominal value indicated, and the bidder shall undertake obligation to subscribe a quantity of shares equivalent to minimum 10% and maximum 15% (as planned) of the share capital during increase of the company's share capital subscribed for 1994.

Advertised companies:

- Budapesti Elektromos Művek Rt.**  
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- Észak-Dunántúli Áramszolgáltató Rt**  
Privatisation consultant: Kőzép-európai Nemzetközi Bank Rt. Capital Market and Investment Division Radnóti Zoltán Address: H-1052 Budapest, Váci utca 16/b. Phone: (36-1) 138-2352 (33-1) 44-637940
- Északmagyarországi Áramszolgáltató Rt.**  
Privatisation consultant: Argenta Top Bróker Rt Attention: Mr. Péter Budaházy Address: H-1052 Budapest, Vármegeye u. 3-5 Phone: (36-1) 267-4210
- Délmagyarországi Áramszolgáltató Rt.**  
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Privatisation consultant: Knight Wendling Consulting Kft Address: H-1142 Budapest, Telegi Blanka u. 15-17 Phone: (36-1) 183-5701 - Fax: (36-1) 251-5703

In all the six tender procedures the bids shall be submitted in 3 (three) copies in Hungarian or English language, in person or through a proxy in a sealed envelope not bearing a corporate identification, but including a reference to the tender. Out of the bids submitted, the original shall be clearly indicated.

**Deadline and place of submitting the tender: 15 November 1993, up to 3:00 p.m.**  
State Property Agency H-1133 Budapest, Pozsonyi út 56. Iktató

Foreign and domestic legal entities and ad hoc consortiums established for the competitive tendering may participate in the tender procedure. The bidders may be exclusively trade investors. The State Property Agency reserves the right to announce the tender as unsuccessful. The bidder shall keep its bid as binding for at least 90 days from the deadline of submission. It is a condition of the participation in the tender to take over the detailed tender specification, prospectus and information memorandum against a consideration of USD 1,000 or its HUF equivalent (+VAT) following signature of the confidentiality declaration.

SPORTS

A Not-So-Secret Play Makes Cowboys Super

By Thomas George

New York Times Service

The Dallas Cowboys... made the jump to the top of the standings...

The Green Bay Packers... the Washington Redskins... the Dallas Cowboys...

Smith loves the play for two primary reasons: He generally prefers running traps and delays inside as opposed to sweeps outside...

Philadelphia Eagles... Dallas has a young team and Smith is a pivotal young leader...

Several Cowboys took special note of this: Smith managed the run on his 30th carry in the game's final moments in horrible, rainy weather... There was so much gleam in so many Cowboys' eyes after the Eagles game...

When the New York Giants and the Cowboys clash Sunday in Dallas in a midseason scrap for first place in the NFC East...

The Eagles blitzed four linebackers on the play and both safeties cheated toward the line of scrimmage...

Two linebackers were in the middle and the Cowboys' center, Mark Stepnoski, bullied the left one...

Can they stop it? The Eagles thought they could. The Eagles blitzed four linebackers on the play and both safeties cheated toward the line of scrimmage...

middle and just past diving cornerback Eric Allen into the end zone...

Dallas has ridden Lead Draw... Philadelphia Eagles... Dallas has a young team...

Several Cowboys took special note of this: Smith managed the run on his 30th carry...

When the New York Giants and the Cowboys clash Sunday...

The Eagles blitzed four linebackers on the play...

Two linebackers were in the middle and the Cowboys' center...

Can they stop it? The Eagles thought they could...

The Eagles blitzed four linebackers on the play...

Two linebackers were in the middle and the Cowboys' center...

Can they stop it? The Eagles thought they could...

said the Eagles' Allen. "You never get a good shot at him. I've been telling our younger backs to watch him and learn from him...

Dallas has ridden Lead Draw... Philadelphia Eagles... Dallas has a young team...

Several Cowboys took special note of this: Smith managed the run on his 30th carry...

When the New York Giants and the Cowboys clash Sunday...

The Eagles blitzed four linebackers on the play...

Two linebackers were in the middle and the Cowboys' center...

Can they stop it? The Eagles thought they could...

The Eagles blitzed four linebackers on the play...

Two linebackers were in the middle and the Cowboys' center...

Can they stop it? The Eagles thought they could...



BOR-RING — Riddick Bowe, as challenger Evander Holyfield spoke, found the press conference a bit of a yawner. Their title fight Saturday in Las Vegas is expected to be brisker.

NFL Midseason Leaders

A series of tables showing NFL Midseason Leaders in various categories: American Football Conference, National Football Conference, and individual league leaders. Columns include Team, Games, Wins, Losses, Ties, and Points For.

SCOREBOARD

A scoreboard table listing NHL Standings for Eastern and Western Conferences. It includes team names like Philadelphia, NY Rangers, and Toronto, along with their win-loss-tie records and points.

A table listing 10-12-30-30 Goggles, listing names, dates, and statistics.

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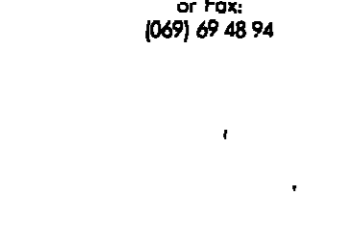
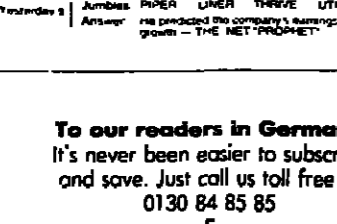
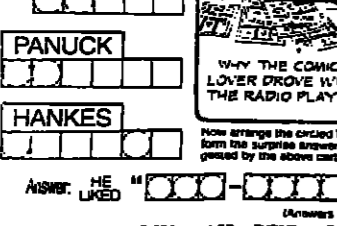
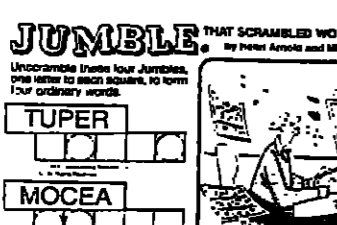
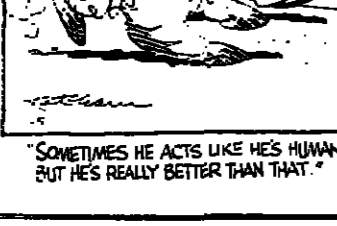
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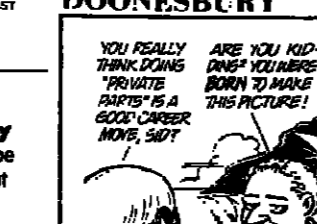
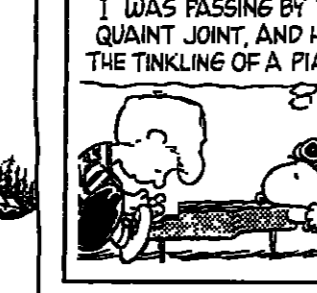
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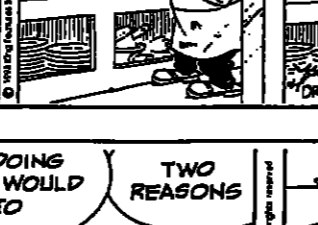
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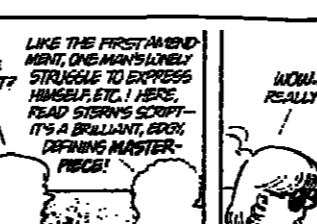
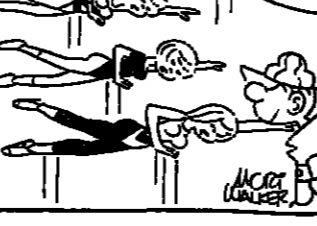
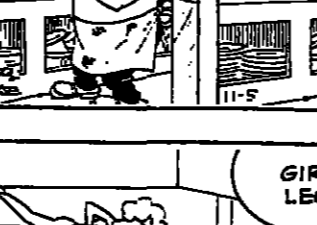
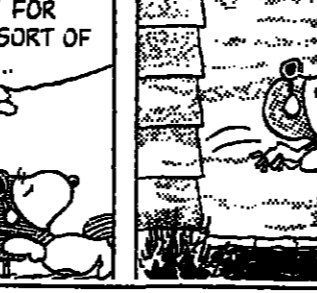
PEANUTS



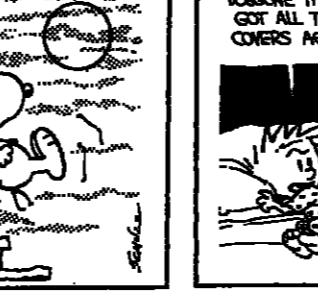
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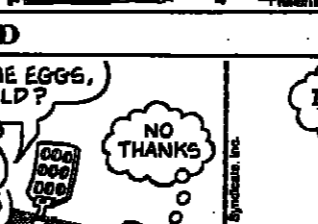
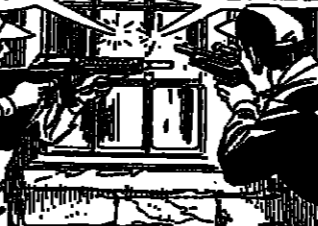
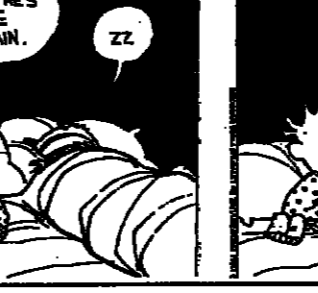
WIZARD OF ID



REX MORGAN



GARFIELD



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OBSERVER

Dagwoods as Don Juans

By Russell Baker
NEW YORK — As the capital of the world's greatest Puritan republic, Washington is obliged to flutter and blush whenever sex makes a public appearance on the stage of statesmanship.



Among those backing Salman Rushdie's right to publish "Satanic Verses" are Moroccan writer Tahar Ben Jelloun (center) and Egyptian novelist Naguib Mahfouz.

For Rushdie, a Defense From Muslims

By Alan Riding
NEW YORK TIMES SERVICE
PARIS — For the first time since Salman Rushdie was condemned to death by Iran on the ground that he blasphemed Islam in his 1989 novel, "The Satanic Verses," an important group of Arab and Muslim writers and intellectuals has spoken out in defense of his right to publish the book.

PEOPLE

Diana Keeps Her Cool About Bulimia Rumors

Princess Diana denied Thursday that she was suffering from a recurrence of the eating disorder bulimia and jokingly said she was postponing her "nervous breakdown" for a more appropriate moment.

WEATHER

Table with weather forecasts for Europe, North America, Asia, Africa, and Latin America, including high/low temperatures and precipitation chances.

CROSSWORD

Crossword puzzle grid with clues for Across and Down words. Includes a solution to the puzzle from Nov. 4.

AT&T Access Numbers

Table listing AT&T access numbers for various countries and regions, such as ANDORRA, ARMENIA, AUSTRIA, etc.

Large advertisement for AT&T featuring the headline "I wonder if the little guy had fun today?" and a photograph of a child. The ad promotes international calling services.

Handwritten signature or mark at the bottom center of the page.